



REQUEST FOR PROPOSAL 03-75006

January 15, 2004

California Dental Medicaid Management Information System

California Department of Health Services
Office of Medi-Cal Procurement
MS 4200
600 North 10th Street, Room 240C
P.O. Box 997413
Sacramento, CA 95899-7413

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Exhibit C – View on-line.	General Terms and Conditions (GTC 103). View or download this exhibit at http://www.ols.dgs.ca.gov/Standard+Language/default.htm .
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A. Purpose and Background

1. Purpose

The State of California (State), Department of Health Services (Department or DHS), is conducting this Request for Proposal (RFP) to acquire fiscal intermediary (FI) services and the underwriting of the Medi-Cal Dental Program. This RFP solicits proposals for the takeover, operation, and eventual turnover of the California Dental Medicaid Management Information System (CD-MMIS), and to effectively and efficiently adjudicate claims, Treatment Authorization Requests (TARs), and related documents while improving services to Medi-Cal Dental Program providers, beneficiaries, and federal and State users of the system. Proposers must address all of the services and requirements described in Exhibit A, Attachments I through IV, Scope of Work.

The Medi-Cal Dental Program intends to make a single contract award to the most responsive and responsible firm earning the highest score. This procurement is open to all eligible firms and/or individuals that meet the qualification requirements, including commercial businesses, nonprofit organizations, State or public universities (including auxiliary organizations) and other entities.

The Department intends that the selected Contractor take over the existing CD-MMIS and operate it to the satisfaction of California's requirements for FI services for Medi-Cal and other dental-related programs, as described in this RFP. Programs that currently utilize CD-MMIS claims/treatment authorization requests processing and other related services include Medi-Cal, County Medical Services Program, Children's Treatment Program, California Children's Services Program, Genetically Handicapped Persons Program, and Healthy Families. Based on historic trends, the Department anticipates that claims payment services for other dental care programs will be added over the life of this contract.

It is important that the selected Contractor have the capability to not only meet the current needs of California's system users and programs, but be sufficiently flexible to meet future needs as they are identified. Since quality is of paramount importance to the Department, the selection of the Contractor during this procurement will be based on the highest score approach in which price will be a factor, but the overall highest score will be the determining factor.

The Department recognizes the CD-MMIS is a legacy system that does not utilize technology that is currently available. Consequently, the RFP allows Proposers to offer an Additional Contractual Service (ACS) to address this issue. It is optional for Proposers to include in their technical proposals any

ACS, including a system replacement ACS. Proposers need to carefully follow the requirements associated with the submission of an ACS.

In the event a Proposer submits a system replacement ACS that is not acceptable to the Department, the Department intends to acquire under a separate procurement process a contractor who by the completion of year two of Operations of this contract will migrate in phases a replacement CD-MMIS. The successful Contractor from this procurement shall cooperate fully with any other contractor selected for the replacement system. The Department will negotiate, as needed, through the change order process, any price increases or decreases that are needed as a result of the replacement system.

A number of innovative features are included in the RFP, therefore, it is critical that interested Proposers carefully read, study, analyze, and understand all sections and provisions of the RFP. Features of the contract are described below.

a. New Provider Regulations

New provider regulations are currently being developed which should enhance the Contractor's ability to ensure quality of care. Mandatory provider enrollment forms will be required wherein providers agree to comply with all applicable laws, rules, policies, program criteria, and regulations governing the Medi-Cal Dental Program. The implementation of these regulations could potentially reduce the incidence of provider disciplinary action and allow stronger sanctions against providers who submit fraudulent claims, provide substandard dental services to Medi-Cal patients, or otherwise fail to comply with state or federal requirements.

b. Payment Provisions

1) Underwriting

This RFP calls for an at-risk, underwriting contract. Features include: no bid/risk profit; mirrored sharing environment for any gains or losses; gain/loss maximum of \$4.65 million for each contract year; and each contract year will be stand-alone, meaning that after auditing and settlement of loss or gain, there will be no carry-overs to the following year. Please refer to Exhibit B-Attachment I, Special Payment Provisions, Provision 14, entitled Underwriting, for an explanation of the underwriting component of the contract.

2) Administrative

The primary payment methodology outlined in this RFP will compensate the Contractor at a fixed price for a base volume range of Adjudicated

Claim Service Lines (ACSLs) and TARs processed. If the ACSL or TAR volume falls within the base volume range, the payment received shall constitute full payment for ACSLs/TARs. If the ACSLs/TARs processed for the phase exceed the maximum of the base volume range, the Contractor will receive additional payment for each ACSL or TAR document above the maximum. If the ACSL or TAR volume does not reach the base range volume minimum, the payment will be reduced for the number of ACSLs/TARs below the base volume range. Adjustments will be made continuously on a monthly basis to reconcile payment received by the Contractor if the actual ACSLs/TARs do not fall within the adjusted base volume range. At the end of each contract year, a final adjustment will be made to reconcile payment received by the Contractor to actual ACSL/TAR volumes experienced on an annual basis. Several other Contractor payment categories are defined in Exhibit B-Attachment I, Special Payment Provisions.

c. HIPAA

The Health Insurance Portability and Accountability Act of 1996 (HIPAA) requires specific standards for Electronic Data Interchange (EDI) and uniform national health data and health information privacy and security standards, which apply to the Medi-Cal program. The Department has begun the process to make the CD-MMIS compliant with the HIPAA rules. The successful Proposer must develop a plan acceptable to the Department and demonstrate the capacity to ensure total conversion from the current local code set to the national dental code standard Current Dental Terminology (CDT) version, in use at that time, by September 2005.

In addition, the successful Proposer must develop a plan acceptable to the Department and demonstrate the capability to ensure compliance with the standards for electronic transactions required by 45 Code of Federal Regulations Parts 160 and 162, in the shortest time period feasible. This includes demonstrating the capacity to maintain compliance with HIPAA transactions already implemented for CD-MMIS and converting non-compliant transactions to the HIPAA compliant transactions required by 45 CFR Parts 160 and 162, as amended from time to time, regardless of whether the transactions are currently conducted by the dental services fiscal intermediary and regardless of whether the transactions are currently required by the HIPAA rule.

The successful Proposer must also demonstrate capacity to achieve and maintain compliance with the National Standard Health Care Provider Identifier found at 45 CFR Part 142, by the federal compliance deadline. The proposed rule for the National Standard Health Care Provider Identifier was published in 63 Federal Register 25320 on May 7, 1998.

Finally, the successful Proposer will be expected to ensure compliance with any and all HIPAA rules as they become final, which effect the areas of operation of the fiscal intermediary.

d. Document Management

A requirement of this contract is the design, development and implementation of a CD-MMIS document management system. This system shall include scanning software that will allow the timely and accurate processing of the large volume of incoming hard copy documents related to CD-MMIS, including but not limited to, claims and Treatment Authorization Requests (TARs).

e. Document Imaging Management System (DIMS)

The design, development, and implementation of a document imaging management system to provide all documentation/correspondence related to this contract to be stored and managed online is also a requirement of this contract. This system will be accessed through an Intranet site to allow the Department and the Contractor staff access to all documentation.

f. Conlan v. Bontá Lawsuit

Pursuant to a court order filed May 12, 2003, the Department must implement procedures to ensure that a beneficiary who has paid for medically necessary health care services otherwise covered by the Medi-Cal program received by a beneficiary shall be entitled to a return from a provider or directly from the Department of any part of the payment that meets the criteria as approved by the court. The Department has set forth general criteria in Welfare and Institutions Code section 14019.3 as amended, and as set forth in the Department's Compliance Plan which is currently awaiting approval by the court. The prior contractor does not have a mechanism in place for this activity. However, a permanent manual process has been established to reimburse the beneficiaries at Schedule of Maximum Allowances for those services that are covered under the Medi-Cal Dental Program. The court's order will require the Contractor to comply with the Compliance Plan.

2. Background

a. General Information

In July 1965, amendments to the Social Security Act, Title XVIII established the Medicare program, and Title XIX established the state-option medical assistance program known as Medicaid. These

programs were established to provide federal matching funds to states to implement a single, comprehensive medical care program.

State legislation implementing the Title XIX program was signed in November 1965. Medi-Cal, the California medical assistance Medicaid program, became effective in March 1966. Prior to the start of Medi-Cal, indigent Californians had been provided health care services through a variety of programs administered by the counties. With the advent of Medi-Cal, a wide range of health benefits was provided uniformly to those individuals throughout the State whose income and resources were insufficient to meet the costs of medical services without jeopardizing the person's or family's self-maintenance and security. Medi-Cal is funded primarily by federal and state monies. Generally, the federal government contributes 50% for Medi-Cal services costs related to virtually all beneficiaries currently covered by the program. With few exceptions, state government contributes the balance. The Medi-Cal program is administered by the State in cooperation with federal and county governments.

From its inception, Medi-Cal has experienced increasing program costs, primarily as a result of spiraling growth in the caseload, utilization of service, and hospital costs. A Medi-Cal Reform Plan (MRP) was enacted by statute in October 1971 (Chapter 577, Statutes of 1971) with the objective of developing an equitable statewide eligibility system, a uniform schedule of benefits for eligibles within a strong system of utilization and quality controls, and an improved system of health care delivery and health care financing for the program.

Modifications to the program are continually occurring because of federal and state legislation, departmental regulations, and other efforts to improve the program. Proposers should be aware that Contractor responsibility will include the planned and orderly implementation of the applicable provisions of all state and federal legislation and regulations whenever they may occur within the term of the contract.

b. History of the California Dental Medicaid Management Information System

From 1966 to 1972, all claims for dental health care services rendered to Medi-Cal recipients were submitted to, processed, and paid by a single fiscal intermediary. In 1973, with the passage of the Waxman-Duffy Act, the State Legislature provided the opportunity for the State of California to explore the possibility of delivering dental care on a prepaid, risk basis. Under the provisions of the Waxman-Duffy Act, effective January 1, 1974, the State entered into a four-year pilot project with California Dental Services, a.k.a. Delta Dental Plan of California, to provide dental care services on a prepaid, at-risk basis. Legislative action allowed the State to extend the pilot contract until it was replaced by a competitively bid,

prepaid, at-risk (for services and administrative costs) contract in 1984. The purpose of this RFP is to once again competitively bid for the provision of Medi-Cal dental care services, and afford potential contractors the opportunity to compete.

c. Medi-Cal Dental Program Administration

The Department of Health Services, as part of the Health and Human Services Agency, is the single State department responsible for administering the Medi-Cal Dental Program. Within the Department, Medical Care Services (MCS) manages the Medi-Cal program. Payment Systems Division (PSD), within MCS, is where day-to-day oversight and management of fiscal intermediary services occurs.

B. Time Schedule

Below is the tentative time schedule for this procurement:

Event	Date	Time (If applicable)
CSCR Ad begins	December 23, 2003	
RFP Released	Week of January 12, 2004	
Questions Due	January 30, 2004	4:00 p.m.
Voluntary Pre-Proposal Conference	January 30, 2004	1:30 p.m.
Voluntary Letter of Intent Due	February 6, 2004	4:00 p.m.
Mandatory Request for Inclusion on Mailing List Form Due	February 6, 2004	4:00 p.m.
Proposal Due Date	March 5, 2004	4:00 p.m.
Notice of Intent to Award Posted	May 24, 2004	4:00 p.m.
Protest Deadline	June 2, 2004	4:00 p.m.

Contract Award Date	June 3, 2004
Proposed Start Date of Agreement/Takeover Begins	August 2, 2004

C. Contract Term

The term of this contract is anticipated to be for a total of six (6) years, two (2) months, beginning August 2, 2004, and continuing through September 30, 2010, with three (3), one (1) year optional extensions. This timeframe includes a nine (9)-month period for Takeover, in accordance with Takeover requirements; a four (4)-year Operations period; and a fifteen (15)-month period for completion of Runout and Contract Closeout.

The first (1st) year of Operations will begin on May 1, 2005, and end on June 30, 2006, which is fourteen (14) months versus one (1) full year (twelve (12) months). Subsequent contract years will begin on July 1 and end on June 30, said dates to coincide with the State's fiscal year period. The contract may continue through September 30, 2013, if all three (3) optional extension periods are used.

See Exhibit E, Additional Provisions, Provision 8, entitled "Term of the Contract" for additional requirements.

The agreement term may change if DHS makes an award earlier than expected or if DHS cannot execute the agreement in a timely manner due to unforeseen delays.

The resulting contract will be of no force or effect until it is signed by both parties and approved by the Department of General Services, if required. The Contractor is hereby advised not to commence performance until all approvals have been obtained. Should performance commence before all approvals are obtained, said services may be considered to have been volunteered if all approvals have not been obtained.

D. Proposer Questions

Immediately notify DHS if you need clarification about the services sought or have questions about the RFP instructions or requirements. Put your inquiry in writing and transmit it to DHS as instructed below. At its discretion, DHS reserves the right to contact an inquirer to seek clarification of any inquiry received.

Proposers that fail to report a known or suspected problem with the RFP or fail to seek clarification and/or correction of the RFP shall submit a proposal at their own risk.

If an inquiry appears to be unique to a single firm or is marked “Confidential” or “Proprietary” DHS will mail or fax a response only to the inquirer if DHS concurs with the Proposer’s claim that the inquiry is sensitive or proprietary in nature. If DHS does not concur, the inquiry will be answered in the manner described herein and the Proposer will be so notified. Inquiries and/or responses that DHS agrees should be held in confidence shall be held in confidence only until the Notice of Intent to Award is posted.

To the extent practical, inquiries shall remain as submitted. However, DHS may consolidate and/or paraphrase similar or related inquiries.

1. What to include in an inquiry

- a. Your name, name of your firm, mailing address, area code and telephone number, and fax number.
- b. A description of the subject or issue in question or discrepancy found.
- c. RFP section, page number or other information useful in identifying the specific problem or issue in question.
- d. Format your questions as follows:

RFP Reference	Section	Page Number	Question
Example: Use “General” if a general question or “RFP” if the question deals with a section within the RFP or “Exhibit A”, “Exhibit A-Att I”, “Exhibit B”, “Exhibit B-Att I”, “Attachment 1”, etc.	Indicate the section number or letter along with subsection or paragraph site identifiers	Example: 27 of 89	

- e. Remedy sought, if any.

A Proposer that desires clarification about specific RFP requirements and/or whose inquiry relates to sensitive issues or proprietary aspects of a proposal may submit individual inquiries that are marked “Confidential”. The Proposer must include with its inquiry an explanation as to why it believes questions marked “Confidential” are sensitive or surround a proprietary issue.

2. Question deadline

Proposers are encouraged to submit written inquiries about this RFP to DHS no later than three (3) working days before the Pre-Proposal Conference date so answers can be prepared in advance. DHS will accept written or faxed

inquiries received by 4:00 p.m. on January 30, 2004. At its discretion, DHS may contact an inquirer to seek clarification of any inquiry received.

DHS will respond to written questions about the following issues if such written questions are received prior to the March 5, 2004 proposal submission deadline:

- a. DVBE participation requirements and how to complete the DVBE attachments, and
- b. The reporting of RFP errors or irregularities.

3. Response by DHS/Timeframes

- a. The Office of Medi-Cal Procurement will respond to all written questions received on or before January 30, 2004. After that date, the OMCP will respond only to written questions related to administrative bulletins or RFP addenda issued by the OMCP or to written questions related to the issues set forth in the immediately preceding paragraph 2. Any such written questions shall be answered in writing via the administrative bulletin process. Written questions related to administrative bulletins and/or RFP addenda received by the OMCP after 4:00 p.m. on January 30, 2004, shall be governed by Paragraph b, below.
- b. If the State transmits administrative bulletins and/or RFP addenda by regular mail, Proposers will have eight (8) State Working days, measured from the working day following the day of mailing, to submit additional clarification questions. However, if the State elects to transmit the administrative bulletins and/or RFP addenda by fax or overnight mail, Proposers will have five (5) State Working days, measured from the working day following the day of faxing or mailing, to submit additional clarification questions. These questions must be submitted by facsimile or electronic mail.
- c. All administrative bulletins will state the question and the State's response, but not reveal the identity of the entity asking the question. Each bulletin and addendum will be assigned a number and will be mailed to those entities only that have submitted a Mandatory Request for Inclusion on Mailing List form (Attachment 11) and will also be posted on the OMCP's Web site at <http://www.dhs.ca.gov/mcs/omcp/index.htm>. If a Proposer has not submitted a Mandatory Request for Inclusion on Mailing List form it is the Proposer's sole responsibility to remain informed of the content and requirements of bulletins and/or addenda. Please see Section H of this RFP for more information on the Mandatory Request for Inclusion on Mailing List form.

- d. The administrative bulletins, once issued, become part of the RFP and must be read in conjunction with, and as part of, the complete document.
- e. Official Department responses are only those answers to questions and specification clarifications that are in writing and signed by the Chief of the Office of Medi-Cal Procurement or her designee. Any oral or informal inquiries, and any response or comment made thereto, will not in any way bind or obligate the Department or otherwise extend any deadline in the RFP process.

4. How to submit questions

Submit all questions in a sealed envelope. The exterior of the envelope must clearly state the following:

QUESTION(S) REGARDING RFP 03-75006
FOR CALIFORNIA'S MEDICAID DENTAL
MANAGEMENT INFORMATION SYSTEM

Submit inquiries using one of the following methods.

U.S. Mail:	Hand Delivery or Overnight Express/Courier:
Questions re: RFP 03-75006 Lisa Kale/Denise Peterson CA Department of Health Services Office of Medi-Cal Procurement MS 4200 P.O. Box 997413 Sacramento, CA 95899-7413	Questions re: RFP 03-75006 Lisa Kale/Denise Peterson CA Department of Health Services Office of Medi-Cal Procurement MS 4200 600 North Tenth Street, Room 240C Sacramento, CA 95814
Fax: Questions re: RFP 03-75006 Lisa Kale/Denise Peterson CA Department of Health Services Office of Medi-Cal Procurement FACSys: (916) 464-0855 Fax: (916) 323-7456 E-mail: OMCPRFP5@dhs.ca.gov	

Proposers submitting questions are responsible for confirming the receipt of all materials by the question deadline.

Call Lisa Kale or Denise Peterson at (916) 323-7406 and state that you wish to confirm receipt of your communication.

If you choose hand or courier delivery, allow sufficient time to locate parking, sign in at the Security Desk, and have OMCP staff meet you to accept your questions. For driving and parking instructions **prior to January 23, 2004**, please review Appendix 5a, Driving & Parking Instructions to the Department of Health Services, Office of Medi-Cal Procurement. **After January 23, 2004**, please see Appendix 5b.

5. Verbal questions

Because verbal inquiries are easily misinterpreted, Proposers are highly encouraged to submit all inquiries in writing. Verbal questions will be taken prior to and at the pre-proposal conference. However, DHS reserves the right **not to accept or respond** to verbal inquiries. Verbal remarks provided in response to verbal inquiries are unofficial and are not binding on DHS unless later confirmed in writing.

No inference should be drawn from any question to which the DHS does not respond in writing.

Direct all verbal requests for DVBE assistance to DHS' DVBE Coordinator at (916) 650-0117 up to the proposal deadline.

E. Data Library

A Data Library is currently available at DHS for the sole use of Proposers. The Data Library is accessible by appointment only on State working days Monday through Friday from 8:00 a.m. to noon, and 1:00 p.m. to 4:00 p.m. Access to the Data Library is restricted to authorized Proposers and/or their authorized representatives who have established an advance appointment and completed required forms through the process described below.

1. Appointments

Appointments to access the Data Library must be arranged in writing by contacting OMCP.

Include the following information in your written request for an appointment:

- a. Name
- b. Title
- c. Firm you represent
- d. Telephone number
- e. Fax number
- f. Email address, if applicable
- g. Desired date of visit
- h. Desired time of visit

Send your written request to OMCP through one of the following methods:

U.S. Mail:	Hand Delivery or Overnight Express/Courier:
Library Appt. RFP 03-75006 Lisa Kale/Denise Peterson CA Department of Health Services Office of Medi-Cal Procurement MS 4200 P.O. Box 997413 Sacramento CA 95899-7413	Library Appt. RFP 03-75006 Lisa Kale/Denise Peterson CA Department of Health Services Office of Medi-Cal Procurement MS 4200 600 North Tenth Street, Room 240C Sacramento CA 95814
Fax:	
Library Appt. RFP 03-75006 Lisa Kale/Denise Peterson CA Department of Health Services Office of Medi-Cal Procurement FACSys: (916) 464-0855 Fax: (916) 323-7456	
E-Mail: OMCPRFP5@dhs.ca.gov	

Upon receipt of the information listed in this section, Proposers will be sent the forms described in Section E.2. below.

2. Access

Upon written request of an appointment as instructed in Section E.1. above, a Proposer will be sent the necessary forms and instructions that outline the policies and requirements for using the Data Library. These include:

- a. Data Library Instructions
- b. Data Library Confidentiality Agreement
- c. List of Authorized Representatives
- d. Driving and Parking Instructions

Access to the Data Library is restricted to authorized Proposers and their authorized representatives who have submitted the Data Library Confidentiality Agreement and the List of Authorized Representatives prior to the visit to the Data Library.

To obtain a copy of the Data Library instructions and the required forms listed in RFP Sections E.2.a. and E.2.b. above, please contact OMCP in writing at the address specified in Section E.1.

Once OMCP receives the Data Library Confidentiality Agreement and List of Authorized Representatives, OMCP staff will confirm the appointment date and time with the Proposer.

3. Location

Prior to January 23, 2004	After January 23, 2004
Office of Medi-Cal Procurement 600 North Tenth Street, Room 240C Sacramento, CA	Office of Medi-Cal Procurement 9800 Old Winery Place Sacramento, CA 95827
For driving and parking instructions see Appendix 5a.	For driving and parking instructions see Appendix 5b.

4. Contents

The Data Library contains documentation on the Medi-Cal Dental Medicaid Management Information System and the Medi-Cal programs and provides basic information needed in the preparation of proposals. The contents of the Data Library may be found in Appendix 6, Data Library Index. Some library documentation will be available upon written request to be checked out and reproduced. All documentation shall be returned at the time specified by the Department.

To obtain documents issued by other government agencies, Proposers should contact those agencies directly. Examples of documents that Proposers may find helpful include the California Legislative or Control Agency Reports.

Data Library materials may be periodically updated and additional documents may be added. Proposers that have requested access to the Data Library will be notified of the additions and/or changes by way of written notice.

5. Verbal Communication

Verbal communication regarding the Data Library should be directed to Lisa Kale or Denise Peterson of OMCP at (916) 323-7406.

F. Voluntary Pre-Proposal Conference

DHS will conduct a voluntary Pre-Proposal Conference in Sacramento, California on January 30, 2004 beginning at 1:30 p.m. at the following location:

Department of Health Services, 1500 Capitol Avenue, Auditorium, First Floor

Prospective Proposers that intend to submit a proposal are encouraged to attend the voluntary Pre-Proposal Conference. It shall be each prospective Proposer's

responsibility to attend the Pre-Proposal Conference promptly at 1:30 p.m. DHS reserves the right not to repeat information for participants that join the conference after it has begun.

If a potential prime contractor is unable to attend the voluntary Pre-Proposal Conference, an authorized representative of its choice may attend on its behalf. The representative may only sign-in for one potential prime contractor. Sub-contractors may represent a potential prime contractor at the voluntary Pre-Proposal Conference.

The voluntary Pre-Proposal Conference is a public event or meeting and anyone can attend.

The purpose of the conference is to:

1. Allow prospective Proposers to ask questions about the services sought or RFP requirements and/or instructions.
2. Share the answers to general questions and inquiries received before and during the conference (DHS will distribute note cards in order for you to write and submit any additional questions you may have during the Bidders Conference).

Spontaneous verbal remarks provided in response to questions/inquiries are unofficial and are not binding on DHS unless later confirmed in writing.

Carefully review this RFP before the conference date to familiarize yourself with the qualification requirements, scope of work and proposal content requirements. Prospective Proposers are encouraged to have their copy of this RFP available for viewing during the conference.

Refer to the RFP Section D, entitled Proposer Questions, for instructions on how to submit written questions and inquiries before the conference date. DHS reserves the right to determine which inquiries will be answered during the conference.

After the conference, DHS will provide written answers confirming and addressing all appropriate questions gathered before the conference or in response to oral or written questions taken at the conference. Oral answers to questions discussed at the conference are not binding on the Department unless confirmed in writing. To the extent practical, inquiries shall remain as submitted. However, DHS reserves the right to identify and group questions that may be similar in nature and answer with one response. DHS reserves the right not to answer any questions that is inappropriate, misleading or otherwise deemed not to aid the Proposers in preparing their RFP. Inquiries of a unique or confidential nature will be handled utilizing the procedure outlined in Section D, Proposer Questions.

No inference should be drawn from any question to which the DHS does not respond in writing.

DHS will mail, fax or e-mail the official written answers from the conference to all persons who voluntarily identified themselves and included an appropriate mail, fax and/or e-mail address, as having attended or participated in the conference, and to all Interested Parties who complete and return the Request for Inclusion on the Mailing List form as described in Section H.3. of this RFP.

Proposers are responsible for their costs to attend/participate in the conference. Those costs cannot be charged to DHS or included in any cost element of the Proposer's price offering.

For driving and parking instructions to the Pre-Proposal Conference, please refer to RFP Appendix 7.

G. Reasonable Accommodations

For individuals with disabilities, the Department will provide services such as sign-language interpretation, real-time captioning, note takers, reading or writing assistance, and conversion of Bidders Conference handouts, Request for Proposal, questions/answers, RFP Addenda, applicable library materials, or other Administrative Notices into Braille, large print, audiocassette, or computer disk. To request such services or copies in an alternate format, please call the number below no later than 4:00 p.m. on January 20, 2004 to arrange for reasonable accommodations. Please contact:

Lisa Kale/Denise Peterson
Office of Medi-Cal Procurement
Telephone number (916) 323-7406

NOTE: The range of services available may be limited if requests are received less than ten State working days prior to the conference date or requestors cannot allow ten or more State working days prior to date the alternate format material is needed.

H. Voluntary Letter of Intent

1. General information

Prospective Proposers are asked to voluntarily indicate either their intention to submit a proposal or to indicate the reason(s) for not submitting a proposal. Failure to submit a Letter of Intent will not affect the acceptance of any proposal. The Letter of Intent is not binding and prospective Proposers are not required to submit a proposal merely because a Letter of Intent is submitted. Use the Voluntary Letter of Intent (Attachment 10) for this purpose.

2. Submitting a Voluntary Letter of Intent

Regardless of delivery method, the Voluntary Letter of Intent must be received by 4:00 p.m. on February 6, 2004.

Submit the Letter of Intent using one of the following methods:

U.S. Mail:	Hand Delivery or Overnight Express/Courier:
Letter of Intent RFP 03-75006 Lisa Kale/Denise Peterson CA Department of Health Services Office of Medi-Cal Procurement MS 4200 P.O. Box 997413 Sacramento CA 95899-7413	Letter of Intent RFP 03-75006 Lisa Kale/Denise Peterson CA Department of Health Services Office of Medi-Cal Procurement MS 4200 600 North Tenth Street, Room 240C Sacramento CA 95814
Fax: Letter of Intent RFP 03-75006 Lisa Kale/Denise Peterson CA Department of Health Services Office of Medi-Cal Procurement FACSys: (916) 464-0855 Fax: (916) 323-7456	

Proposers transmitting a Letter of Intent are responsible for confirming the receipt of the Letter of Intent by the stated deadline.

Call Lisa Kale or Denise Peterson at (916) 323-7406 to confirm receipt of your communication.

3. Request for Inclusion on Mailing List – Mandatory Form

DHS recognizes that not all Interested Parties are interested in continuing to receive updates about this RFP. In addition, printing and mailing updates to all Interested Parties on the mailing list is costly to the Department. Therefore, please be advised that while the Letter of Intent is voluntary, the Department will continue to provide automatic updates about the RFP only to prospective Proposers who have provided a Request for Inclusion on Mailing List form, Attachment 11. Regardless of delivery method, this form is due by 4:00 p.m. on February 6, 2004.

It is incumbent upon any Proposer who has not submitted the Mandatory Request for Inclusion on Mailing List form, but intends to bid on this contract, to monitor the website at <http://www.dhs.ca.gov/omcp> for any administrative bulletins and/or RFP addenda updates to the RFP.

A Proposer may also call (916) 323-7406 to request any administrative bulletins and/or RFP addenda updates to the RFP.

Submit the Mandatory Request for Inclusion on Mailing List form using one of the following methods:

U.S. Mail:	Hand Delivery or Overnight Express/Courier:
Mailing List for RFP 03-75006 Lisa Kale/Denise Peterson CA Department of Health Services Office of Medi-Cal Procurement MS 4200 P.O. Box 997413 Sacramento CA 95899-7413	Mailing List for RFP 03-75006 Lisa Kale/Denise Peterson CA Department of Health Services Office of Medi-Cal Procurement MS 4200 600 North Tenth Street, Room 240C Sacramento CA 95814
Fax:	
Mailing List for RFP 03-75006 Lisa Kale/Denise Peterson CA Department of Health Services Office of Medi-Cal Procurement FACSys: (916) 464-0855 Fax: (916) 323-7456	

Proposers transmitting a Request for Inclusion on Mailing List form are responsible for confirming the receipt of the form by the stated deadline to ensure receipt of the updates related to this procurement.

Call Lisa Kale or Denise Peterson at OMCP at (916) 323-7406 to confirm receipt of your communication.

If you choose hand delivery, allow sufficient time to locate parking, sign in at the Security Desk, and have OMCP staff to meet you to accept your Letter of Intent and/or Mandatory Request for Inclusion on Mailing List form. For driving and parking instructions **prior to January 23, 2004**, please review Appendix 5a, Driving & Parking Instructions to the Department of Health Services, Office of Medi-Cal Procurement. **After January 23, 2004**, please see Appendix 5b.

I. Scope of Work

See Exhibit A entitled, "Scope of Work" that is included in the Exhibits section of this RFP. Exhibit A, Attachments I through IV contain a detailed description of the services and work to be performed as a result of this procurement. Proposal responses must demonstrate how all Scope of Work requirements will be met or exceeded.

J. Qualification Requirements

Failure to meet the following requirements by the proposal submission deadline is grounds for the Department, in its sole discretion, to deem a Proposer nonresponsive. If the Proposer is a subsidiary of another business entity and the proposal relies in part on the business experience of that entity, these requirements of the RFP shall apply to the other business entity. In submitting a proposal, each Proposer must certify and prove that it possesses the following qualification requirements. A Proposer may demonstrate the requisite qualifications through the combined qualifications of the Proposer and its subcontractor's(s) qualifications. The Proposer shall identify areas that they are responsible for along with the areas their subcontractor's(s) are responsible for along with the qualifications for each of those areas of responsibilities.

Many of the qualification requirements contained in this section are described in more detail elsewhere in this RFP.

1. The Proposer must have three years of relevant prior experience within the last 10 years, which is similar to the work contemplated by this RFP, and which demonstrates the Proposer's ability to perform such work. Such experience may consist of a combination of experience either by the Proposer or by a parent corporation of the Proposer, or the relevant work experience of the management team or the relevant experience of a Subcontractor. If the prior experience and demonstrated ability requirements are to be met in whole or in part by the experience of Subcontractors, documentation of the Subcontractors' experience and ability must be formally submitted and accepted as part of the Proposer's technical proposal. Proposers should possess experience in the takeover, design, development, installation, modification, and/or operation of any large scale (over 5 million transactions per year) Medicaid, Medicare or Health Insurer data processing systems, or data processing systems related to Government contracts.
2. Proposers must meet the RFP's financial stability requirements as stated in Exhibit E, Additional Provisions, Provision 41, entitled Minimum Financial Criteria. Proposers must certify that they are financially stable and solvent and have adequate cash reserves to meet all financial obligations while awaiting reimbursement from the Department. If the Proposer is a subsidiary of a corporation, the corporation must provide a financial guaranty executed by a duly authorized officer of that corporation.
3. Proposers must certify that they have read and are willing to comply with all proposed terms and conditions addressed in RFP Section R, "Contract Terms and Conditions", including the terms appearing in the referenced contract exhibits.

4. **[Corporations]** Corporations must certify they are in good standing and qualified to conduct business in California. Submission requirements to demonstrate that corporations meet this qualification can be found in RFP Section K.3., entitled Technical Proposal Content Requirements, and Attachment 2a.
5. **[Nonprofit Organizations]** Non-profit organizations must certify they are eligible to claim nonprofit status. Submission requirements to demonstrate that organizations meet this qualification can be found in RFP Section K.3. and Attachment 2a.
6. Proposers must have a past record of sound business integrity and a history of being responsive to past contractual obligations.
7. Proposers must either achieve actual DVBE participation or make an adequate Good Faith Effort (GFE) to meet the DVBE participation requirements. Detailed requirements are outlined in Attachment 8 (DVBE Instructions/Forms).
8. The Contractor shall be licensed by the Department of Managed Health Care (DMHC) under the Knox-Keene Health Care Service Plan Act of 1975 (Health and Safety Code Section 1343 et seq.,) and the California Code of Regulations (Title 10, CCR, Chapter 3 and Title 28, CCR, § 1300.51. If not already licensed, the Contractor shall, prior to execution of this contract, file an application with the DMHC for such licensure. Proof of application for licensure shall be submitted to the Department prior to the contract effective date. Proof of licensure shall be submitted to the Department within nine (9) months following execution of the contract resulting from this RFP (Title 28, CCR, § 1300.43.12). Refer to Exhibit E, Additional Provision 17, Required Licensure.
9. Proposers must certify and submit proof that no prohibited conflict of interest exists as instructed on Attachment 13, Conflict of Interest Compliance Certificate.

K. Technical Proposal Format and Content Requirements

1. General instructions

- a. Each firm or individual may submit only one technical proposal.

For the purposes of this paragraph, “firm” includes a parent corporation of a firm and any other subsidiary of that parent corporation. If a firm or individual submits more than one proposal, DHS will reject all proposals submitted by that firm or individual.

A firm or individual proposing to act as a prime contractor may be named as a subcontractor in another Proposer's proposal. Similarly, more than one Proposer may use the same subcontractors and/or independent consultants.

- b. Develop proposals by following all RFP instructions, including clarifications issued by DHS in the form of question and answer notices, clarification notices, Administrative Bulletins or RFP addenda.
- c. Before submitting your proposal, seek timely written clarification of any requirements or instructions that you believe to be vague, or unclear, or that you do not fully understand. You assume the risk that your proposal may be rejected for failure to follow a rule or requirement, which the Department interprets differently than you did in preparing your proposal.
- d. In preparing your technical proposal response, all narrative portions should be straightforward, detailed and precise. DHS will determine the responsiveness of a proposal by its quality, not its volume, packaging or colored displays.
- e. Arrange for the timely delivery of your technical proposal to the address specified in this RFP. Do not wait until shortly before the deadline to submit your technical proposal.

2. Format requirements

- a. The technical proposal shall present a complete description of the Proposer's plans to meet the requirements of specified areas of the RFP.
- b. Submit one (1) original set, eleven (11) and one (1) CD-ROM of the technical proposal:
 - 1) Assemble the original set, eleven (11) copies and one (1) CD-ROM of your technical proposal together. Clearly label the original hard copy "Original Set".
 - 2) The original set and each of the eleven (11) copies of the technical proposal must be bound separately. The original set, eleven (11) copies and one (1) CD-ROM of the technical proposal must be sent under sealed cover.
 - 3) Proposals shall be submitted in full, bound sets, e.g., technical proposal sets one (1) through twelve (12) are packaged as complete sets, rather than having one package containing all twelve (12) copies of binder one (1), for example. Set one (1) must be the original set.

- 4) Each box must be identified as follows:

Original Set, or Set 1 of 12, or Set 2 of 12, etc.
Box 1 of X (number of boxes needed for each set), etc.

- 5) The outside of each box containing a full set of technical proposals shall be marked with the name of the Proposer and shall be labeled:

TECHNICAL PROPOSAL FOR THE CALIFORNIA DENTAL
MEDICAID MANAGEMENT INFORMATION SYSTEM
RFP 03-75006

- c. Format the technical proposal as follows:

- 1) Use one-inch margins at the top, bottom, and both sides.
- 2) Use a font size of not less than 11 points.
- 3) Print pages single-sided on white bond paper.
- 4) Sequentially paginate the pages in each section, beginning each new section with page 1. Include the name of the section at the top of each page. It is not necessary to paginate items in the Appendix Section or Forms Section.

- d. Bind each proposal set in a way that enables easy page removal. The proposal must be submitted three-hole punched in loose leaf or three-ring binders.

- e. Certain forms, statements and attachments in the technical proposal require signatures. All RFP documents that require a signature must be signed in ink, preferably in a color other than black.

- 1) Have a person who is authorized to bind the proposing firm sign each original RFP document that requires a signature. Signature stamps are not acceptable.
- 2) Place the originally signed documents in the technical proposal set marked "Original Set".
- 3) The signed original RFP documents in the original set may be photocopied for placement in the eleven (11) copies.

- f. Do not mark any portion of your technical proposal response, any RFP attachment or other item of required documentation as "Confidential" or "Proprietary". DHS will disregard any language purporting to render all or portions of a proposal confidential or proprietary.

- g. The successful Proposer shall be required to submit an additional twenty (20) sets of the technical proposal and corrections thereto within five (5) State work days after the Contract Award date (scheduled for June 3, 2004), for contract processing. Each set of the technical proposal shall be submitted as a complete unit and shall be correctly and completely revised and updated with responses to clarifications, notifications of deficiency, unacceptable items noted, and addenda which were a result of the evaluation process. During the Takeover Phase of the contract, the Contractor will be required to submit an additional 40 technical proposals, to the Medi-Cal Dental Services Branch (refer to Exhibit A- Attachment I, Section 1.3)

3. Technical proposal content requirements

This section specifies the order and content of each technical proposal. Assemble the materials in each technical proposal set in the following order:

a. Proposal Cover Page

A person authorized to bind the Proposer must sign the Proposal Cover Page (Attachment 1). If the Proposer is a corporation, a person authorized by the Board of Directors to sign on behalf of the Board must sign the Proposal Cover Page.

b. Technical Proposal Transmittal Letter

The technical proposal transmittal letter shall be on the official business letterhead of a Proposer and shall be signed by an individual authorized to legally bind the Proposer. The letter shall include:

- 1) Identification of all materials and enclosures being forwarded as a response to the RFP;
- 2) The name, title, mailing address, email address, and telephone and fax numbers of a liaison person(s) whom the Department may contact during the evaluation period;
- 3) A statement indicating the legal form of the Proposer;
- 4) A statement by the Proposer that:
 - a) It is qualified in all areas to operate the CD-MMIS without use of a subcontractor; or
 - b) Identifies:

- i. All areas for which the Proposer is qualified and will have responsibility (areas which the subcontractor will not have responsibility);
- ii. The name(s) of all subcontractor(s) that is/are being submitted as a part of the Proposer's technical proposal and the designated areas of performance for which it/they is/are qualified and for which it/they shall have responsibility, if the Proposer intends to use subcontractual relationships to satisfy the RFP requirements; and
- iii. A statement from each subcontractor must be appended to the transmittal letter signed by an individual authorized to legally bind the subcontractor and stating:
 - A. Type of work the subcontractor will provide under the contract;
 - B. Subcontractor's understanding and agreement to comply with all applicable contractual requirements; and
 - C. If the prior experience and demonstrated ability requirements are to be met using a subcontractor, the subcontractor's experience and ability must be described in the Proposer's technical proposal.
- iv. Indicate any subcontractors identified in paragraph iii. above who will be responsible for performing "significant functions" under this contract for the areas identified below. For this submission, significant functions include the performance of 20% or more of the workload for any one of the following activities:
 - A. Document Management;
 - B. Suspense Processing;
 - C. Claims Payment;
 - D. Data Center Operations;
 - E. Systems Group;
 - F. Surveillance Utilization Review System (S/URs);
 - G. Quality Management;
 - H. Financial Management;
 - I. CD-MMIS Installation and Testing;
 - J. Provider Services Operation;
 - K. Dental Professional/Paraprofessional Operations;

- L. Beneficiary Services Operation; and
- M. Document Imaging Management System (DIMS).

- v. A statement by the Proposer that any subcontractual relationships submitted in the proposal shall not be changed during the procurement process or during the life of the contract without prior written permission from the Department.
- 5) A statement that neither cost nor pricing information is included in this letter or the technical proposal.
- 6) A statement indicating that the Proposer has no affiliates (see the definition of affiliates in Exhibit E, Additional Provision 28, Affiliates), or a statement containing the following information:
 - a) The names and addresses of all affiliates of the Proposer;
 - b) The names and addresses of all persons and concerns exercising control or ownership of the Proposer and any or all of its affiliates, and whether they exercise such control or ownership as common officers, directors, stockholders holding controlling interest, or otherwise; and
- 7) A statement that the proposal is complete as submitted.
- 8) A statement acknowledging that all costs associated with the development and submission of a proposal in response to this RFP are entirely the responsibility of the Proposer and will not be chargeable to the State of California or included in any cost elements of the proposal.
- c. Table of Contents

Properly identify each section and the contents therein. Paginate all items in each section, beginning each new section with page 1. Documents contained in the Forms Section and Appendix Section do not require pagination.
- d. Proposer Capability Section (Pass/Fail – Stage 2)

To enable the Department in evaluating a Proposer's corporate capabilities, a Proposer shall submit the following information:

- 1) Proposer History:
 - a) Date of establishment. If applicable, explain any changes in the business history or organizational structure that will assist the Department in determining qualifications; and
 - b) A description of the Proposer's goals that are relevant, closely related, or will complement this project.
- 2) Provide a detailed statement of the experience that qualifies the Proposer to undertake and complete the takeover and operation of the CD-MMIS specified in this RFP:
 - a) Names, addresses, and telephone numbers of organizations that may be contacted for each business experience listed. Use the Proposer References Form (Attachment 4) for this purpose. Place the completed Proposer References form in the Forms section of your proposal; and
 - b) Statements of experience for all experience that the Proposer believes qualifies them to undertake this contract. The experience cited should be for three (3) years of prior experience within the past ten (10) years except for item b) iv. below, which should not have a time limit. Proposers shall report on the types of experiences given in the following order:
 - i. Takeover of an existing Medicaid or Medicare claims processing system (the Proposer's system and other vendors' systems);
 - ii. Design, development, installation, operation, and modification of a Medicaid or Medicare system. This item may be merged with item (i) above, but the Proposer should clearly indicate whether the contract was for takeover of an existing system (whose system it was; transfer of an existing system; or design, development, and installation of a new system);
 - iii. Takeover, design, development, installation, modification, and/or operations of any other large-scale (over five million transactions per year) data processing or health insurer system. Experience cited here shall include the Proposer's experience in establishing and maintaining effective working relationships with government entities, local community based organizations, and private nonprofit organizations;
 - iv. Identification of whether the Proposer or any of its proposed subcontractors have had a contract terminated for failure to perform. Also identify whether the Proposer or any of its

- proposed subcontractors have been removed from a governmental bidder's list as a result of failure to perform or failure to comply with financial requirements;
- v. Previous experience within the last five years with any subcontractor relationship proposed, or any previous joint working experience with any subcontractors proposed in the technical proposal;
 - vi. Implementation of a health insuring system that was underwritten by the Proposer and in which providers were paid on a fee-for-services basis; and
 - vii. Implementation and operation of any capitated health insuring system.
- c) For each type of experience reported above, Proposers shall provide:
- i. Type of contract under which the previous work was performed (e.g., fixed price, fixed rate, cost-reimbursement);
 - ii. Client size;
 - iii. Number of transactions per year;
 - iv. Complexity and scope of the system, including the nature of reporting systems;
 - v. Scope of the work performed (e.g., fiscal agent, facilities manager);
 - vi. Reason for contract termination, if the contract is no longer in effect;
 - vii. Number of person-months devoted to design, development, and implementation of projects;
 - viii. Performance problems encountered during the period of contract operations, including any that resulted in delays or nonpayment to the Contractor. Specific attention should be given to any problems encountered in meeting cycle-time requirements, including backlogs in suspense or in the front-end of the system (e.g., mail room, key entry);
 - ix. Status of the Proposer (e.g., prime Contractor or subcontractor);

- x. Percentage of service performed by subcontractors;
 - xi. Certification of system for Medicaid system (e.g., currently federally certified) and whether, in the last 10 years, the system or the Department has lost federal certification or had any reduction in FFP due to loss of certification. Describe any problems and/or loss of FFP; and
 - xii. Whether the experience is that of the Proposer or a subsidiary of another business entity. If experience is gained as a subsidiary of another business entity and the Proposer relies at all on the business experience of that entity, the Proposer experience submission requirements of the RFP shall apply to the other business entity.
- d) Submit a description of other existing and projected Medicaid or Medicare contracts, projects, or obligations, and the resources required to fulfill each. Describe any foreseeable conflicts between the existing or projected obligations and this proposal in respect to business resources, personnel, computer time, and financial resources.
 - e) Describe Proposer's experience in designing, developing, and implementing innovative programs and techniques that result in cost-savings, and proposing new and creative ideas for increasing the Department's control over the expenditure of program dollars.
 - f) Describe Proposer's experience in meeting the State's current system, users and programs, and possessing sufficient flexibility to meet future needs as they are identified.
- e. Work Plan Section

1) Overview

- a) The Department is interested in proposals that provide well-organized, comprehensive and technically sound business solutions. Vague explanations will undermine the Proposer's credibility and will result in reduced proposal scores.
- b) The Work Plan must include an in-depth discussion and description of the methods, approaches, step-by-step actions and timeline that will be carried out to fulfill all Scope of Work requirements found in Exhibit A - Attachments I through IV.

If the nature of a task or function hinders specific delineation of in-depth methods and procedures (e.g., a task is dependent upon a

future action or multiple approaches may be used), explain the probable methods, approaches or procedures you will use to accomplish the task or function. Also describe, in this instance, how you will propose the ultimate strategies and detailed plans to the Department for full consideration and approval before you proceed to carry out the project.

- c) If, for any reason, the Work Plan does not wholly address each Scope of Work (SOW) requirement, fully explain each omission.

2) Rejection of Tasks, Activities, or Functions

If full funding does not become available, is reduced, or the Department determines that it does not need all of the services described in this RFP, the Department reserves the right to offer an amended contract for reduced services.

3) Work Plan content

Work Plan(s) must include performance time lines and a detailed description of the step-by-step actions, methods, and approaches used to fulfill all Scope of Work requirements as described in Exhibit A - Attachments I through IV.

These include:

- a) Takeover Plan
- b) System Test Plan
- c) Claims/TARs Processing Plan
- d) Quality Management Plan
- e) Systems Group Procedures and Organization Plan
- f) Provider Services Plan
- g) Beneficiary Services Plan
- h) System Utilization Review Subsystem Plan (S/URS)

4) Work Plan Submission Requirements

Proposers shall submit the following work plans to meet all of the specified submission requirements. All submissions shall not exceed page limitations identified below. Submissions shall be on one (1)-

sided eight and one-half inch by eleven inch (8 ½ " x 11") white bond paper with print no smaller than eleven (11) point font size. Flow charts and graphs are excluded from this page limitation, but should be minimized whenever possible.

a) Takeover Plan (Pass/Fail –Stage 2)

Submit a Takeover Plan that describes your firm's ability to perform the duties and responsibilities outlined in the Takeover requirements of this RFP. For additional requirements see Exhibit A - Attachment I, Takeover.

i. Describe in detail the Proposer's activities for the duration of Takeover, including the Proposer's tasks and activities for assumption of CD-MMIS. Include the following:

A. Task;

B. Major Subtask;

C. Subtasks;

D. Work Package (As defined in Exhibit A - Attachment I, Takeover 1.3.1); and

E. Contractually defined milestones, deliverables and Department approvals shall be identified.

ii. Ensure that the plan shows the interrelationships and interdependencies between each tasks, milestones and deliverables.

b) System Test Plan (Pass/Fail – Stage 2)

Submit a System Test Plan that describes your firm's ability to perform the duties and responsibilities outlined in the Takeover and Scope of Work requirements of this RFP. For additional requirements see Exhibit A- Attachment I, Takeover.

i. Describe the method to conduct two (2) parallel test of CD-MMIS;

ii. Describe System Test documentation standards;

iii. Describe control procedures;

- iii. Describe manual, clerical, and operating procedures used to validate Quality Management procedures for setting accuracy and error levels and monitoring for Contract compliance.

c) Claims/TARs Processing Plan (Thirty-five (35)-page limit)
(Weighted Score – Stage 3)

The Proposer shall describe how it plans to manage the Claims/TAR Processing area of the contract to ensure contract requirements are met and performance is successful. The Proposer shall discuss its understanding of the following:

- i. Work to be performed;
- ii. Requirements described in Exhibit A-Attachment II, Operations;
- iii. Interrelationships and functional dependencies;
- iv. Changes, if any, to manual processing that are required to accomplish claims/TAR processing activities;
- v. Impact(s) of the claims/TAR processing activities on the Department, providers, and beneficiaries; and
- vi. Any other special considerations.

d) Quality Management Plan (Thirty-five (35)-page limit) (Weighted Score – Stage 3)

The Proposer shall describe how it plans to manage the Quality Management area of the contract to ensure contract requirements are met and performance is successful. Include a description of how the Proposer will ensure that it will meet continued quality improvement within its operation. The Proposer shall discuss its understanding of the following:

- i. Work to be performed;
- ii. SOW requirements described in Exhibit A-Attachment II, Operations;
- iii. Interrelationships and functional dependencies;
- iv. Changes, if any, needed to accomplish Quality Management activities;

- v. Impact(s) of Quality Management activities on the Department, providers, and beneficiaries; and
 - vi. Any other special considerations.
- e) Systems Group Procedures and Organization Plan (Thirty-five (35)-page limit) (Weighted Score – Stage 3)

The Proposer shall describe how it plans to manage the Systems Group Procedures and Organization area of the contract to ensure contract requirements are met and performance is successful. The Proposer shall include methods that it will use to ensure that system changes are installed in a timely, accurate, and efficient manner. The Proposer shall discuss its understanding of the following:

- i. Work to be performed;
 - ii. How the Proposer will ensure system changes are completed promptly and timely, including how the Proposer will system-test any changes to ensure that errors are not introduced into the system;
 - iii. SOW requirements described in Exhibit A-Attachment II, Operations;
 - iv. Interrelationships and functional dependencies;
 - v. Changes, if any, required to accomplish System Group Procedures and Organization activities;
 - vi. Impact(s) of Systems Group Procedures and Organization on the Department, providers, and beneficiaries;
 - vii. How the Proposer will ensure that staff work on Department-defined priorities and status of the ongoing work will be communicated to the Department; and
 - viii. Any other special considerations.
- f) Provider Services Plan (Thirty-five (35)-page limit) (Weighted Score – Stage 3)

The Proposer shall describe how it plans to manage the Provider Services area of the contract to ensure that contract requirements are met and performance is successful. Include a brief description of how the Proposer will proactively approach problem identification

and solution, and how the Proposer intends to increase provider satisfaction. The Proposer shall discuss its understanding of the following:

- i. Work to be performed;
 - ii. SOW requirements described in Exhibit A-Attachment II, Operations;
 - iii. Interrelationships and functional dependencies;
 - iv. Changes, if any, that are required to accomplish provider services activities; and
 - v. Impact(s) of provider relations work on the Department, providers, and beneficiaries.
- g) Beneficiary Services Plan (Thirty-five (35)-page limit) (Weighted Score – Stage 3)

The Proposer shall describe how it plans to manage the Beneficiary Services area of the contract to ensure that contract requirements are met and performance is successful. Include a brief description of how the Proposer will proactively approach problem identification and solution, and how the Proposer intends to increase beneficiary satisfaction. The Proposer shall discuss its understanding of the following:

- i. Work to be performed;
 - ii. SOW requirements described in Exhibit A-Attachment II, Operations;
 - iii. Interrelationships and functional dependencies;
 - iv. Changes, if any, that will be required to accomplish beneficiary services activities; and
 - v. Impact(s) of beneficiary services work on the Department, providers, and beneficiaries.
- h) Surveillance and Utilization Review Subsystem (S/URS) Plan (Thirty-five (35)-page limit) (Weighted Score – Stage 3)

The Proposer shall describe how it plans to manage the S/URS area of the contract to ensure that contract requirements are met and performance is successful. Include a brief description of

procedures, processes, methods and tools that will be used to ensure S/URS processing requirements are met. The Proposer shall discuss its understanding of the following:

- i. Work to be performed and how the Proposer will ensure accuracy and improve performance;
- ii. SOW requirements described in Exhibit A-Attachment II, Operations;
- iii. Interrelationships and functional dependencies;
- iv. Changes, if any, that will be required to accomplish S/URS activities;
- v. Impact(s) of S/URS activities on the Department, providers, and beneficiaries; and
- vi. Any other special considerations.

f. Management Plan Section (Not scored)

- 1) Describe how you will effectively coordinate, manage and monitor the efforts of the assigned staff, including subcontractors and/or consultants, if any, to ensure that all tasks, activities and functions are completed effectively and in a timely manner.
- 2) Describe the fiscal accounting processes and budgetary controls you will use to ensure the responsible use and management of contract funds and accurate invoicing. Include at a minimum, a brief description of all of the following:
 - a) How the costs incurred under this project will be appropriately accounted for and only applicable project expenses will be billed to the Department (e.g., use of unique account/project codes, etc.);
 - b) Your fiscal reporting and monitoring capabilities (e.g., spread sheets, automated fiscal reports, quality controls, checks and balances, etc.) to ensure contract funds are managed responsibly;
 - c) Proposed billing or invoicing frequency (not more frequently than once per month). Electronic billing is not an option; and
 - d) Identify the documentation that you will maintain on file or submit to the Department upon request to prove, support and/or substantiate the expenses that are invoiced to the Department.

g. Project Personnel Section (Pass/Fail – Stage 2)

- 1) Submit an Organizational Structure Plan which encompasses the following. For additional requirements, please see Exhibit A-Attachment I, Takeover:
 - a) Describe your proposed staffing plan. In the staffing plan, include at a minimum:
 - i. Position titles for all proposed employees (persons on your payroll);
 - ii. Number of personnel in each position;
 - iii. By position, indicate the full time equivalent (FTE) or percentage of staff time devoted to this project (e.g., full time = 1.0, 1/2 time = .50, 3/4 time = .75, 1/4 time = .25, projected number of hours, if hourly, etc.); and
 - iv. A job description or duty statement for each position title or classification that will perform work under this project. The job descriptions must indicate the typical tasks and responsibilities that you will assign to the position and should include desired or required education and experience. Place all job descriptions or duty statements at the end of the Organizational Structure section.

v. Management Team

Provide a narrative description of the management team that will be assigned to this contract. The narrative shall include all senior management members who will be responsible for the following activities:

- A. All activities assigned to the Contractor Representative;
- B. All activities assigned to the Takeover Director;
- C. All operations requirements;
- D. All claims/TAR adjudication responsibilities;
- E. All activities associated with Provider Services;
- F. All activities of the Systems Group;

- G. All quality management requirements;
- H. All Beneficiary Services requirements;
- I. All Provider Services requirements; and
- J. If applicable, Project Manager for any major subcontractor(s). The narrative shall contain a thorough discussion of the authority and responsibility of the Contractor Representative.

If different managers handle the Takeover and Operation activities, please indicate.

All members of the management team must have experience in their functional areas. If members of the management team are not proposed to be employees of the Contractor, their employer must be listed as a subcontractor in the technical proposal.

The narrative shall contain a description of the Contractor Representative regarding the delivery of computer operations support.

For any major contract activities or responsibilities proposed to be performed by any subcontractor, include a description of how the Contractor shall ensure performance by the subcontractor(s) and the control that the Contractor Representative will have over the subcontractors.

vi. Management Team: Qualifications

Proposers shall thoroughly describe the qualifications, experience, and skills of the individual members of the management team. This description shall include:

- A. The current job title of each management team member, and whether a Contractor or a subcontractor employs the member. If the member is employed by a subcontractor, identify that Subcontractor;
- B. A brief description of each management team member's management experience (i.e., size of contract, duration). Include each management team member's experience with the Proposer's firm, or with the subcontractor(s) proposed, as part of the technical proposal. Indicate the length of experience of each management team member, whether in the Proposer's firm or with another organization's firm;

- C. A description of the personal qualification(s) (e.g., skills in communication, analysis and problem solving, planning and decision-making) of each management team member; and
- D. An indication of the recency of each management team member's experience and its relevance or similarity to the major tasks to be performed under this contract.

vii. Management Team: Individual Authority

Proposers shall describe the span of control and authority to be assigned to each member of the management team. This description shall include a complete report of each of the following:

- A. The division of responsibility among each of the members of the management team and the percentage of time each person will be assigned to this contract. Include a description of other responsibilities of that individual; and
- B. An organization chart illustrating the span of control to be assigned to each management team member. Show reporting relationships within the team as well as subcontractors to team members, and reporting relationships of the Contractor Representative to the Data Center and major subcontractors. Include a description of the level of placement of each member within the organization, with the level of detail showing the unit level.

viii. Management Team: Continuity

- A. Proposers shall describe how they shall ensure that the proposed individuals are willing and available to work on this project. The Proposer shall also describe the method to be used by the Proposer to replace an individual with someone with equal qualification. This shall include whether management team nominees in the technical proposal are currently proposed to work on any other contracts and, if so, how their availability will be guaranteed for this contract. The Contractor shall describe past contract experience it has had in working with its customers in the replacement of its management personnel assigned to a large contract.
- B. The Contractor shall guarantee that any senior manager identified in its technical proposal will be assigned to this contract for at least the first two years, and the Contractor Representative for three years, unless that employee:

Leaves the employment of the contractor, any of its affiliates, or a subcontractor or any of its affiliations; or

Is given advance written Contracting Officer approval.

- ix. Identify by name and/or position title, each key staff person that will have primary responsibility for managing, directing, overseeing and/or coordinating the work of assigned staff, Subcontractors and/or independent consultants and who will maintain effective communications with the Department (i.e., Project or Program Manager, Project or Program Director, Contract Manager, etc.).
 - A. Briefly, describe each person's expertise, capabilities and credentials; and
 - B. Emphasize any relevant past experience in directing, overseeing, coordinating or managing other government projects.
 - x. Include a resume for each key staff person (professional, managerial, or supervisory) who will exercise a major administrative, policy, or consulting role in carrying out the project work. To the extent possible, resumes should not include personal information such as a social security number, home address, home telephone number, marital status, sex, birth date, age, etc.
- b) If subcontractors (including independent consultants) will be used to perform contract services, Proposers must do the following at the time of proposal submission:
- i. Indicate if you have pre-identified any firms/persons to perform the work or if you will recruit them later.
 - ii. For each pre-identified subcontractor and independent consultant submit:
 - A. Full legal name;
 - B. A brief description of the major duties and functional responsibilities that you intend to assign to the subcontracted firm or independent consultant;
 - C. A brief explanation as to why you chose the subcontracted firm or independent consultant. Stress such things as applicable skills, knowledge, capabilities, past experience or

accomplishments, availability, reasonableness of rates, notoriety in a field or specialty etc; and

- D. A resume for each pre-identified subcontractor and independent consultant, if any. To the extent possible, resumes should not include personal information such as a social security number, home address, home telephone number, marital status, sex, birth date, age, etc.
- E. A letter of agreement, signed by an official representative of each subcontracted firm or independent consultant. Place the letters in the Appendix Section.

Specific subcontractor and/or independent consultant relationships proposed in response to this RFP (i.e., identification of pre-identified subcontractors and independent consultants) shall not be changed during the procurement process or prior to contract execution. The pre-identification of a subcontractor or independent consultant does not affect the Department's right to approve personnel or staffing selections or changes made after the contract award.

- iii. For subcontractors and/or independent consultants that cannot be identified when the proposal is submitted to the Department or are to be determined (TBD) after the contract is executed, include:
 - A. An identification of the functions, activities and responsibilities that you intend to assign to each subcontractor and/or independent consultant; and
 - B. A description of the process that you will use to obtain Department approval of each subcontractor and/or independent consultant selection along with approval of their budgeted costs and assigned responsibilities.

2) Submit an organization chart

The Proposer shall submit a complete description of its organizational structure and areas of technical capability. This description shall provide the following:

- a) An organization chart and narrative that describes the organizational structure of the business, shows the location of the proposed contract in the Proposer's firm, and indicates if such location is an operation unit, separate location, or wholly owned subsidiary.

- b) A complete description of the division of responsibility within the business.
 - c) An organization chart showing the relationship of the Proposer to all parent entity(s), corporation(s), and affiliate(s) if the Proposer is a subsidiary organization. Include a description of the division of responsibilities, decision-making processes, and reporting relationships between the Proposer and its parent(s) or affiliate(s), Subcontractors, and/or independent consultants, if any.
- h. Personnel Acquisition Plan Section (Pass/Fail – Stage 2)

Submit a Personnel Acquisition plan which encompasses the following:

- 1) Briefly, describe the administrative policies or procedures you will use to ensure that you will recruit and select well-qualified, competent, and experienced in-house staff, subcontractors and/or independent consultants. For additional requirements, see Exhibit A-Attachment I, Takeover.

Include a description of methods to ensure that qualified staff are hired to meet the needs of the specialized areas: e.g., Systems Group without interruption to services during Takeover and the transition to Operations. This plan should also include contingencies to ensure that services to providers and beneficiaries without interruption.

If employee recruitment/selection policies or procedures are present in an operations manual, you may cite excerpts from such manuals. Do not simply indicate that such policies exist and do not attach copies of any policies or manuals to your proposal. If deemed necessary, the Department may request copies of your existing manuals or policies.

- 2) Briefly, describe the processes or procedures that you will use to ensure that vacancies are filled expeditiously and that services are continued despite the presence of vacancies.

i. Financial Stability Plan Section (Pass/Fail – Stage 2)

Each Proposer shall submit a Financial Stability Plan as required herein.

Proposers shall submit a Financial Stability Plan by submitting the following data for the past three fiscal years of the Proposer and for the interim period from the end of the last full fiscal year up to and including the date specified for submission of technical proposals.

If the Proposer is a subsidiary of any other legal entity and the financial resources of the parent company are required to qualify the subsidiary for

competition under the procurement, the financial stability submission requirements of the RFP section shall apply to the parent company.

- 1) The Proposer shall submit the following:
 - a) Proposer's annual financial statements for the most recent past three fiscal years, including annual income statements and quarterly or annual balance sheets. Audited statements are required. All noted audit exceptions must be fully explained. The Department will only accept financial statements that are reviewed and accompanied by a report, certificate, or opinion of a professional certified auditing firm; or
 - b) Public interim financial statements for the interim period from the end of the last full fiscal year up to, and including, the date specified for submission of technical proposals. The Department does not require submittal of interim statements for the last three fiscal years for which annual reports are submitted;
 - c) A statement containing all projected financial data for the calendar years 2004 through 2009. Proposers may use information that has been made available to any of its security or shareholders or the investment community, Securities and Exchange Commission or similar institutions, and shall be submitted in accordance with Security and Exchange Commission guidelines for publicly traded companies;
 - d) Identification of all significant contractual obligations that could have a material effect as described below in Section K.3.i.4., Demonstrations;
 - e) A narrative description of size computations, historical bases for estimates and projections, assumptions, contractual obligations, both existing and anticipated, and related information for the next three years predicated upon operation without the award of this contract;
 - f) A projected pro forma financial statement and statement of changes in financial position for the next three years predicated upon operations without the award of this contract;
 - g) A detailed financial plan and proposed cash flow budget showing the availability of funds and course of sufficient funds to cover the Proposer's projected operation costs without risk of insolvency were the Proposer to provide the contractual services under the contract period; and

- h) A calculation of the Proposer's projected tangible net equity prepared in accordance with the minimum financial requirements set forth in Exhibit E, Additional Provision 41, Minimum Financial Criteria.

2) Certification

All financial data submitted in the Financial Stability Plan in connection with this RFP shall be accompanied by a signed statement from the Proposer or parent corporation(s) Chief Executive Officer and Chief Financial Officer or designee certifying that the data is current, accurate, and complete.

3) Guaranty Provisions

If the Proposer is a subsidiary of another entity, the Proposer must submit a guaranty from any entity in the Proposer's chain of ownership that is publicly traded. If no such parent entity is publicly traded, the guaranty shall be submitted by a parent entity at a level in the chain of ownership that is acceptable to the Department. The guaranty shall meet all the requirements specified in Exhibit E, Additional Provision 35, Guaranty Provisions, be in a form satisfactory to the Department, and provide for the full and prompt performance of all covenants, terms and conditions, and agreements resulting from the RFP throughout the term of the contract.

4) Demonstrations

Proposers shall identify the geographical location where on-site demonstrations may be conducted. If the Department desires to conduct a site visit, it will advise the Proposer of the time, date, and content to be demonstrated. The Department will require that the demonstration(s) occur in Sacramento, California, if possible. Any travel costs associated with the demonstration(s) shall be borne by the Proposer and are in no way billable to the Department.

j. Facilities and Resources Section (Pass/Fail – Stage 2)

- 1) Submit a plan that describes your firm's ability to perform the duties and responsibilities outlined in the Scope of Work requirements of this RFP, including the requirements outlined in Exhibit A- Attachment I, Takeover. Describe your current:
 - a) Office facilities at your disposal including number of offices owned or leased, square footage, number of staff housed and physical location or address. Please see Exhibit E, Additional Provision 40, for requirements on Location of Contractor's Facilities and Exhibit

E, Additional Provision 45 for State On-Site Audit and Monitoring Staff requirements as they relate to Takeover and Operations.

- b) Support services and office equipment capabilities immediately available and/or accessible for use in carrying out the proposed Scope of Work. Include such things as:
 - i. A description of the range and/or type of support services available and number of staff;
 - ii. Messenger, delivery, shipping, distribution, or transport capabilities;
 - iii. Teleconferencing or telecommunications capabilities;
 - iv. Printing/reproduction or photocopying capabilities;
 - v. Computer hardware and system capabilities (i.e., number, type, size, age, capacity and speed of personal computers or work stations and servers; Local Area Network capabilities, Wide Area Network capabilities; data transfer capabilities (disk or tape), data storage capacity, video/graphics capabilities, etc.);
 - vi. Software applications in use (word processing applications, spread sheet applications, data base applications, graphics development applications, Web page design applications, unique or other specialized software applications, etc.); and
 - vii. Other support functions or capabilities that can be accessed and/or utilized.
- 2) Submit a Facilities Acquisition Plan that describes your firm's ability to perform the duties and responsibilities outlined in the Scope of Work requirements of this RFP, including the requirements outlined in Exhibit A-Attachment I, Takeover. Include information on facilities and other resources you must acquire to fulfill the work required under the contract, such as:
 - a) Identify any facilities, support services or equipment that you must purchase, rent or lease on a long or short-term basis to perform the services described in this RFP.
 - b) Describe the interdependencies of the Facilities Acquisition and installation as it relates to other Takeover tasks.
 - c) Describe how the plan provides for the monitoring of plan progress and timely reporting to the Department.

k. Appendix Section

Place the following documentation in the Appendix section of your proposal in the order shown below.

1) Proof of corporate status

If the Proposer is a Corporation, submit a copy of your firm's most current Certificate of Status issued by the State of California, Office of the Secretary of State. Submit an explanation if you cannot submit this documentation. Unless otherwise specified, do not submit copies of your firm's Bylaws or Articles of Incorporation. Check the appropriate box on Attachment 2 a.

2) Proof of nonprofit status

Nonprofit organizations must prove they are legally eligible to claim "nonprofit" and/or tax-exempt status by submitting a copy of an IRS determination letter indicating nonprofit or 501 (3)(c) tax-exempt status. Submit an explanation if you cannot supply this documentation. Check the appropriate box on Attachment 2 a.

3) Attestations

- a) An attestation that this contract will be a high priority to the Proposer and that the Proposer is committed to supplying any necessary resources to meet its contractual obligations.
- b) An attestation from each Subcontractor, if any, that this contract is of high priority to the Subcontractor and that the Subcontractor is committed to supplying any necessary resources to meet its contractual obligations.
- c) An attestation from each parent organization, if any, that this contract is of high priority to the parent organization and that the parent organization is committed to supplying any necessary resources to assure full performance of the contract.

4) Subcontractor/Consultant letters of agreement

For each pre-identified subcontractor and independent consultant that will be used to perform services under the resulting contract, submit a letter of agreement to work on this project.

A letter of agreement must be signed by an official representative of each subcontracted firm or independent consultant, indicating his/her/their acknowledgement of being named as a subcontractor or

consultant, their availability to work on this project and acknowledgment that they have read or been made aware of the proposed contract terms, conditions and exhibits. Include an explanation if you cannot obtain a letter of agreement from each pre-identified subcontractor and consultant and indicate when a letter of agreement will be forthcoming.

5) Conflict of Interest Compliance Certificate

- a) Proposers must submit Attachment 13 and any accompanying documentation consistent with Attachment 13 provisions.
- b) Attachment 13 will be incorporated into the contract awarded from this RFP and shall be in effect for the entire term of the contract.
- c) If a conflict of interest is determined to exist that cannot be resolved to the satisfaction of DHS before the award or execution of the contract, the conflict will be grounds for deeming a Proposer nonresponsive.
- d) In the event that DHS determines at any time during the term of the contract that a conflict of interest situation exists that cannot be resolved to the satisfaction of DHS, the conflict will be grounds for termination of the contract.

I. Additional Contractual Services (ACS) Section (Pass/Fail, Stage 4)

- 1) ACSs are proposed methods of providing contract services beyond those required in the Scope of Work, Exhibit A - Attachments I through IV. The Proposer's ACSs must relate to claims processing or other services required by this RFP. Each ACS must show improved contract administration or a logical expansion of services to be provided under the contract. They may cover recommendations for improvements to automated systems, services, activities, or processes above RFP requirements or current CD-MMIS operation.
 - a) Refer to Section I.3. below for ACS Submission Requirements.
 - b) Each Proposer shall have an opportunity to develop and submit up to three (3) ACSs, however Proposers may only submit three (3) ACSs if one (1) of the ACSs describes an alternative to CD-MMIS, otherwise, proposers may only submit up to two (2) ACSs. The Department, at its sole discretion will determine if the three (3) ACSs warrant further evaluation.
- 2) The Department intends to implement any ACS that it has accepted as a part of the successful Proposer's technical proposal and intends to

adjust any affected contractual performance requirements accordingly. Because the Department may elect to not implement an ACS, the ACSs shall be separately priced in the bid. Specific terms and conditions associated with an ACS will be addressed at the time of contract execution in Exhibit E, Additional Provisions. Department-accepted ACSs, if proposed for installation at the assumption of the TAR processing, shall be ready for Department acceptance testing during Takeover. Proposers may propose a delayed implementation date in their ACS plan, but shall allow a minimum of six weeks for Department acceptance testing prior to notifying providers of the ACS enhancement.

- a) An ACS shall be designed for implementation on or after the start of operations. The Contractor shall not implement any ACS during the Takeover phase of the contract.
- b) The Department may use any ACS submitted to the Department for any purpose. The successful Proposer may be required to develop and implement any such ACS, whether or not that Proposer originally submitted such ACS to the Department. If an ACS is used from the proposal of an unsuccessful Proposer, that Proposer will not be reimbursed or compensated in any manner for the use of the ACS.

3) ACS Submission Requirements

Any single ACS submission shall not exceed twenty (20) two-sided, single-spaced, typed pages with a font type no smaller than eleven (11) point. Flow charts and graphic material are excluded from this page limitation, but should be minimized whenever possible.

For each ACS, the Proposer shall:

- a) Describe the ACS and how it complements the Scope of Work requirements and improves performance or contract administration beyond the Scope of Work;
- b) Describe what the Proposer thinks are the benefits obtained by the ACS. Specific attention should be placed on the impact of the ACS on beneficiaries, providers, program cost control, and the Department;
- c) Describe and identify any areas that exceed, improve upon, or are more stringent than the Scope of Work requirements. If an ACS proposes more stringent requirements than those required in the Scope of Work, and the Department has formally indicated its approval of the more stringent requirements, the Proposer's

technical proposal commitment (as described in the accepted ACS) shall supersede the Scope of Work requirements;

- d) Submit supporting documentation and information from which the Department can evaluate the extent to which the ACS exceeds the stated Scope of Work requirements; and
- e) Include an implementation date and schedule.
- f) The Department may require the Proposer to present an oral presentation of its ACS(s).

After the award of the contract, presentations to DHS to further discuss proposed ACS', if any, shall be held in Sacramento, California, if possible. Any travel costs associated with the presentations shall be borne by the Contractor.

m. Forms section

Complete, sign and include the forms/attachments listed below. When completing the attachments, follow the instructions in this section and any instructions appearing on the attachment. After completing and signing the applicable attachments, assemble them in the order shown below.

Attachment and/or Documentation	Instructions
1-Proposal Cover Page	Completion of this form is self-explanatory.
2a-Required Attachment / Certification Checklist for Stage 1 Evaluation	<p>1) Check each item with "Yes" or "No", as applicable, and sign the form. If necessary, explain your responses.</p> <p>2) If a Proposer marks "Yes" or "No" and makes any notation on the checklist and/or attaches an explanation to the checklist to clarify their choice, the Department considers this a "qualified response". Any "qualified response", determined by the Department to be unsatisfactory or insufficient to meet a requirement, may cause a proposal to be deemed nonresponsive.</p>

Attachment and/or Documentation	Instructions
2b-Required Attachment / Certification Checklist for Stage 5 Evaluation	<p>1) Check each item with “Yes” or “No”, as applicable, and sign the form. If necessary, explain your responses.</p> <p>2) If a Proposer marks “Yes” or “No” and makes any notation on the checklist and/or attaches an explanation to the checklist to clarify their choice, the Department considers this a “qualified response”. Any “qualified response”, determined by the Department to be unsatisfactory or insufficient to meet a requirement, may cause a proposal to be deemed nonresponsive.</p>
3-Proposer Information Sheet	Completion of the form is self-explanatory.
4-Proposer References	Identify three clients you have serviced that can confirm their satisfaction with your services and confirm if your firm provided timely and effective services or deliverables. If possible, identify clients whose needs were similar in scope and nature to the services sought in this RFP. List the most recent first.
5-RFP Clause Certification	Complete and sign this form indicating your willingness and ability to comply with the contract certification clauses appearing in the RFP section entitled, “Bid Requirements and Information”, subsection “Bidding Certification Clauses”.
6-CCC 103 Certification	Complete and sign this form indicating your willingness and ability to comply with the Contractor Certification Clauses appearing in this Attachment.
7-Payee Data Record	Complete and return this form, only if you have not previously entered into a contract with The Department. If uncertain, complete and return the form.
8a-Actual DVBE Participation and applicable DVBE certification(s) and/or 8b-Good Faith Effort with required documentation	Read and carefully follow the completion instructions in Attachment 8a and 8b. Attach the documentation that is required for the form(s) you choose to submit. One and/or both of these two forms may be required.

Attachment and/or Documentation	Instructions
9- Small Business Preference	Please complete the form if your firm qualifies as a small business.

L. Cost Proposal Format and Content Requirements

1. General Instructions

- a. Each Proposer shall submit only one cost proposal. If a Proposer submits more than one version of the cost proposal, all cost proposals from that Proposer will be rejected.
- b. Develop cost proposals by following all RFP instructions and/or clarifications issued by DHS in the form of questions and answer notices, clarification notices, Administrative Bulletins or RFP addenda.
- c. Before submitting your cost proposal, seek timely written clarification of any requirements or instructions that you believe to be vague, or unclear, or that you do not fully understand. The Proposer assumes the risk that its proposal may be rejected for failure to follow a rule or requirement which the Department interprets differently than you did in preparing your proposal.
- d. Arrange for the timely delivery of your cost proposal to the address specified in this RFP. Do not wait until shortly before the deadline to submit the cost proposal. The cost proposal is to be submitted at the same time the technical proposal is submitted.
- e. The DHS requires the submission of a cost proposal for all major areas that are bid as listed in RFP Section L. 5., Bid Price Forms.
- f. The ACS bid price shall not be included in the total bid price used to determine the lowest bid price.
- g. There shall be two separate cost proposal packages submitted to the Department by the Proposers.
 - 1) The first submission shall be a separate sealed envelope containing the Cost Proposal Transmittal Letter and Attachment 12-16, Cost Proposal Response Guide. This submission is more fully explained in RFP Section L.3.
 - 2) The second submission shall be in a sealed box containing the Cost Proposal Bid Price Forms listed on the Cost Proposal Response Guide and as detailed in RFP Section L.5.

2. Format Requirements

- a. Submit one (1) original and three (3) copies of the Cost Proposal Transmittal Letter and Cost Proposal Response Guide as described in RFP Section L.3 in a separate sealed envelope. Tape this envelope on the outside of the box containing the cost proposal bid price forms.
- b. Submit one (1) original set, eleven (11) copies and four (4) CD-ROMS of the cost proposal bid price forms as follows:
 - 1) Assemble the original set and eleven (11) copies of the cost proposal bid price forms as instructed in RFP Section L.5. Clearly label the original hard copy "Original Set".
 - 2) The original set and eleven (11) copies of the cost proposal bid price forms must be submitted in a separate container apart from the technical proposal, under sealed cover, with the signature of a person(s) authorized to legally bind the Proposer (Contractor).
 - 3) Proposers shall also submit four (4) copies of the cost proposal bid price forms on CD-ROM. The CD-ROM shall be in Microsoft Excel spreadsheet format. Cost proposal CDs must be separate from the technical proposal CD.
 - 4) If you have multiple containers, each container must be identified, e.g., Box 1 of 12, Box 2 of 12, etc.
 - 5) The cost proposal bid price forms listed under RFP Section L.5. must be distinctly marked as follows on the exterior of the container:

COST PROPOSAL FOR THE CALIFORNIA DENTAL
MEDICAID MANAGEMENT INFORMATION SYTEM
RFP 03-75006

- c. Format the cost proposal as follows:
 - 1) Enter your costs on the bid price forms (Attachments 12-1 through 12-15). OMCP will provide Proposers a disk containing the bid price forms that contain the embedded formulas on a protected disk. Proposers may request the disk in Excel format by contacting OMCP at (916) 323-7406. DHS will provide these disks to Proposers at no cost.
 - 2) Hard copy pages must be printed single-sided on white bond paper.

- 3) Bind the cost proposal bid price forms in a way that enables easy page removal. The proposal must be submitted three-hole punched in loose leaf or three ring binders.
 - d. Certain documents that must be submitted as part of the cost proposal need a signature. These documents require a signature to be signed in ink, preferably in a color other than black.
 - 1) Have the person who is authorized to bind the Proposer sign each original cost proposal document or bid price form that requires a signature. Signature stamps are not acceptable.
 - 2) Place the originally signed documents in the cost proposal set marked "Original Set".
 - 3) The signed original RFP documents in the original set may be photocopied for placement in the eleven (11) copies.
 - e. The successful Proposer shall be required to submit an additional twenty (20) copies of the cost proposal within five (5) State workdays after the Contract Award date, scheduled for June 3, 2004. These copies are necessary for contract processing.
3. Cost Proposal Transmittal Letter

The Proposer shall write a Cost Proposal Transmittal Letter to transmit the cost proposal to DHS.

The Cost Proposal Transmittal Letter shall be a business letter using a standard business format from the legal entity that would be the Contractor. The letter should be brief, and signed by a person(s) authorized to legally bind the Proposer to the cost proposal. The letter shall:

- a. Identify all materials and enclosures being forwarded in response to the cost proposal requirements in the RFP;
- b. Include the required certification statement that the data submitted for the cost proposal is current, accurate and complete;
- c. Contain a statement that the Proposer is aware that all prices contained in the cost proposal are fixed prices;
- d. Attach Attachment 12-16, Cost Proposal Response Guide, completed by the Proposer.

One (1) original and three (3) copies of Cost Proposal Transmittal Letter and Cost Proposal Response Guide must be placed in an envelope and taped to the outside of the box containing the Cost Proposal Bid Forms.

4. Restrictions on Bid Price Forms Using Base Volume Method of Payment (BVMP).
 - a. The Department shall reject cost proposals that it determines to be unbalanced (see below for information) or not representative of the Proposer's cost. To provide Proposers with criteria to determine unbalanced bid prices within a payment phase, the following restrictions have been established for each Operations Phase.
 - b. In each phase of the contract, the Department will define a base volume range, a maximum volume range, and a minimum volume range. The following restrictions shall apply to Proposer's bid prices:
 - 1) Within the overall maximum range, the Proposer shall establish at least one, but not more than five, levels herein referred to as "plus levels."
 - 2) Within the overall minimum range, the Proposer shall establish at least one, but not more than five, levels herein referred to as "minus levels."
 - 3) The Proposer shall bid a fixed price for the base volume range, not price per BVMP. This overall price is to cover all Operations for the volume in that range.
 - 4) For every plus and minus level, the Proposer shall set a bid price per BVMP. The bid price must be balanced. For purposes of this RFP, "balanced" shall mean that the absolute value of the sum of the Evaluated Prices per Phase in all of the minus levels does NOT exceed one hundred percent (100%) of the sum of the Evaluated Prices per Phase in all of the plus levels. If the bid price per BVMP is unbalanced, or if the bid price per BVMP is determined to be unsupported by cost data, the entire cost proposal may, at DHS' sole discretion, be rejected as non-responsive. The bid prices shall be rounded to the nearest fourth decimal place or one-hundredth of one cent.
 - 5) The lowest amount bid price per BVMP in any plus level must be at least 25% of the minimum cost per BVMP bid price in the base volume range. The minimum cost per BVMP should be determined by dividing the bid price for the base volume range by the maximum number of BVMPs in the base volume range.

The following is an illustration:

	<u>Minimum</u>	<u>Maximum</u>
<u>Maximum Volume Range</u>	<u>169,400,001</u>	<u>231,000,000</u>
<u>Base Volume Range</u>	<u>138,600,001</u>	<u>169,400,000</u>
<u>Minimum Volume Range</u>	<u>77,000,001</u>	<u>138,600,000</u>

IF the Proposer were to submit a bid price of \$30,000,000 for the base volume range, the minimum cost per BVMP in the base volume range would be \$.0.1771;

$$\$30,000,000 / 169,400,000 = \$.1771 \text{ per BVMP}$$

THEN the minimum bid price per BVMP bid in each plus level must be at least \$.0443

- 6) The bid price for each minus level must be a consecutive reduction to the base volume range. In other words, the largest negative amount must be in the minus level -1, a next smaller negative amount in minus level -2, and continuing in this manner.

IF a Proposer established two minus levels, Level -1 from 138,600,000 down to 107,800,001 BVMPs and Level -2 from 107,800,000 down to 77,000,001 BVMPs;

AND, if the bid price per BVMP in Level -1 is \$ (.23);

THEN the bid price per BVMP in Level -2 must be \$ (.2299) or a lesser reduction to the base volume.

- 7) Finally, as stated in L.4.b.4) above, the absolute value of the total combined bid price in all of the minus levels (disregarding the negative signs of the minus levels) cannot be greater than 100% of the total combined bid price in all of the plus levels.

For example:

IF a Proposer establishes the levels given below:

Level +2	200,200,001 to 231,000,000 x \$.20 = \$ 6,160,000
Level +1	169,400,001 to 200,200,000 x \$.18 = \$ 5,544,000
	Plus levels total \$ 11,704,000

BASE VOLUME RANGE 138,600,001 to 169,400,000 = \$30,000,000

Level -1	107,800,001 to 138,600,000 x \$ () = \$
Level -2	77,000,001 to 107,800,000 x \$ () = \$
	Minus levels total \$ ()

THEN the absolute value of the minus level total could not exceed \$11,704,000. **IF** the absolute value of the minus level total exceeded \$11,704,000, the bid price would be deemed unbalanced.

- 8) In cases where the absolute value of the plus level total exceeds that of the minus level total for any phase, the difference shall be directly applied to the base volume price for that phase, for cost proposal evaluation purposes only.

For example:

Using the example in L.4.b.7), If the absolute value of the plus level total **combined** bid prices was \$11,704,500 and the absolute value of the minus level total combined bid prices was \$11,704, 000, the \$500 difference between the totals (\$11,704,500 - \$11,704,000 = \$500) would be added to the base volume price for that phase.

- 9) The restrictions on BVMP bids shall apply to ACSLs and TAR bids.

c. Cost Allocation

Proposers shall be required to allocate the prices contained in their proposal so as not to exceed the maximum percentages of the total bid price shown below or go below the minimum percentages of the total bid price when applicable. Proposers shall be required to ensure that the percentages associated with all contract phases combined will total 100% of the proposed price. To assist in providing this assurance, please refer to the Bid Allocation Worksheet, Attachment 12-15.

Listed below are the minimum and maximum bid price allocations:

TAKEOVER	1%-3%	EXTENSION 1	12%-17%
PHASE 1	12%-17%	EXTENSION 2	12%-17%
PHASE 2	12%-17%	EXTENSION 3	12%-17%
PHASE 3	12%-17%	TURNOVER	.5%-3%
PHASE 4	12%-17%	RUNOUT	.5%-3%

Each of the contract components indicated above shall consist of distributed activities based upon the methodology shown on the Bid Allocation Worksheet (see Attachment 12-15).

- d. The Department, at its sole discretion, may request supporting documentation or reject any proposal in which bid prices are not allocated in a justifiable manner.
- e. Identify your projected detailed expenses for each line item identified below by following the instructions herein.

5. Cost Proposal Bid Price Forms

For those areas bid in the cost proposal, the Proposer shall complete the following Cost Proposal Bid Price Forms, which can be found under the Attachment 12 Section of this RFP. One (1) original set, eleven (11) copies and four (4) CD-ROMs of the cost proposal bid price forms shall be submitted in a box separate from the technical proposal.

Please include a copy of the Cost Proposal Transmittal Letter before Attachment 12-1 in each set and then place the Bid Price Forms in the order listed below:

a. TAKEOVER BID PRICE FORM, ATTACHMENT 12-1

The Proposer shall submit its proposed bid price for Takeover on Attachment 12-1. This bid price shall also be shown on Attachment 12-13, line A, Total Evaluation Bid Price Form. However, Takeover will not be a consideration in the evaluation of the cost proposals. All costs bid for Takeover shall be subject to Department review and approval. The Contractor will be required to submit a Takeover Cost Plan as required in Takeover, as described in Exhibit A-Attachment I, section 1.4.9. There shall be no adjustments to the Contractors Operations bid price for any Takeover cost disallowed by the Department.

b. OPERATIONS BID PRICE FORM - ADJUDICATED CLAIM SERVICE LINE (ACSL), ATTACHMENT 12-2

The Proposer shall submit a proposed bid price per ACSL base volume range for each of the contract phases, including the extensions. In addition, the Proposer shall subdivide the ACSLs into levels and submit a bid price for each level of ACSL not within the base volume range. The bid price for the ACSL base volume range shall be the evaluated bid price for the base volume. The bid price for ACSL in each level shall be multiplied by the number of ACSLs in each level to determine the evaluated bid price for that level. The number of levels within the maximum range and minimum range shall be determined (not to exceed five each for the plus and minus levels) by the Proposer based on its supporting documentation, which shall be submitted with the cost proposal. The levels in the maximum range shall be identified with a plus sign (+). The levels in the minimum range shall be identified with a negative sign (-). The product of the minimum levels shall be a negative amount. The product of these calculations and the bid price for the base volume shall be the evaluated bid price for each contract phase. The total evaluated bid price for each contract phase shall be shown in the far right-hand column of Attachment 12-2.

c. OPERATIONS BID PRICE FORM - TREATMENT AUTHORIZATION REQUEST (TAR), ATTACHMENT 12-3

The Proposer shall submit a proposed bid price per TAR base volume range for each of the contract phases, including the extensions. In addition, the Proposer shall subdivide the TARs into levels and submit a bid price for each level of TARs not within the base volume range. The bid price for the TAR base volume range shall be the evaluated bid price for the base volume. The bid price for TARs in each level shall be multiplied by the number of TARs in each level to determine the evaluated bid price for that level. The number of levels within the maximum range and minimum range shall be determined (not to exceed five each for the plus and minus levels) by the Proposer based on its supporting documentation, which shall be submitted with the cost proposal. The levels in the maximum range shall be identified with a plus sign (+). The levels in the minimum range shall be identified with a negative sign (-). The product of the minimum levels shall be a negative amount. The product of these calculations and the bid price for the base volume shall be the evaluated bid price for each contract phase. The total evaluated bid price for each contract phase shall be shown in the far right-hand column of Attachment 12-3.

d. CONSOLIDATED OPERATIONS BID PRICE FORM, ATTACHMENT 12-4

In conjunction with Attachment 12-2 and Attachment 12-3, the Proposer must complete Attachment 12-4. This is done by transferring the evaluated bid price per phase for each classification from Attachments 12-2 and 12-3 to the corresponding location on Attachment 12-4. After all evaluated bid price per phase prices have been transferred to columns B and C, they are totaled for each contract phase in column D. The total bid prices shown for each phase in column D are then totaled to arrive at the evaluated consolidated Operations bid price, indicated on the last line of this form.

e. SYSTEMS GROUP BID PRICE FORMS/HOURLY REIMBURSEMENT, ATTACHMENTS 12-5(1) through 12-5(9)

The Proposer shall complete Attachment 12-5(1) through Attachment 12-5(9), representing each classification comprising the Hourly Reimbursed Systems Group. To complete the Attachments, the Proposer must propose an hourly rate in column A for each of the contract phases. These hourly rates are then multiplied by the number of required FTEs in the classification, and by the number of available production hours per FTE, to arrive at an evaluation bid price for each contract phase. These evaluation bid prices shall be transferred to the corresponding classification and phases shown on Attachment 12-5.1. The bid prices shall be totaled and the total bid price for the Systems Group shall be shown on Line K of Attachment 12-5.1, page 2.

f. CONSOLIDATED SYSTEMS GROUP BID PRICE FORM/HOURLY REIMBURSEMENT, ATTACHMENT 12-5.1

In conjunction with Attachment 12-5(1) through Attachment 12-5(9), the Proposer must complete Attachment 12-5.1. This is done by transferring the evaluation bid prices in each phase for each classification from Attachment 12-5(1) through Attachment 12-5(9), to the corresponding location on Attachment 12-5.1. After all evaluation bid prices have been transferred, they are totaled for each contract phase. The total bid prices shown for each phase are then totaled to arrive at the evaluated consolidated System Group bid price. This total shall be entered on Line K of Attachment 12-5.1, page 2.

g. SURVEILLANCE UTILIZATION REVIEW SUBSYSTEM (S/URs) GROUP BID PRICE FORMS/HOURLY REIMBURSEMENT, ATTACHMENTS 12-6(1) through 12-6(11)

The Proposer shall complete Attachment 12-6(1) through Attachment 12-6(11), representing each classification comprising the S/URs Group. To complete the Attachment, the Proposer must propose an hourly rate in

column A for each of the contract phases. These hourly rates are then multiplied by the number of required FTEs in the classification, and by the number of available production hours per FTE, to arrive at an evaluation bid price for each contract phase. These evaluation bid prices shall be transferred to the corresponding classification and phases shown on Attachment 12-6.1. The bid prices shall be totaled and the total bid price for the S/URs Group shall be shown on Line N of Attachment 12-6.1, page 2.

h. CONSOLIDATED SURVEILLANCE UTILIZATION REVIEW SUBSYSTEM (S/URs) GROUP BID PRICE FORM/ HOURLY REIMBURSEMENT, ATTACHMENT 12-6.1

In conjunction with Attachment 12-6(1) through Attachment 12-6(11), the Proposer must complete Attachment 12-6.1. This is done by transferring the evaluation bid prices in each phase for each classification from Attachment 12-6(1) through 12-6(11) to the corresponding location on Attachments 12-6.1. After all evaluation bid prices have been transferred, they are totaled for each contract phase. The total bid prices shown for each phase are then totaled to arrive at the evaluated consolidated S/Urs Group bid price. This total shall be entered on Line N of Attachment 12-6.1, page 2.

i. CENTRAL PROCESSING UNIT TIME BID PRICE FORM/HOURLY REIMBURSEMENT, ATTACHMENT 12-7

The Contractor shall be reimbursed for computer CPU time necessary for the production of special reports and files. For evaluation purposes, a representative volume of 700 hours, spread over the four phases of the contract and the extension periods, is indicated on Attachment 12-7. The Proposer shall submit a bid price or rate for each of the contract phases and the extension period. These bid prices will be multiplied by the number of hours allotted to the contract phase, and then be converted to accommodate a standardized base founded upon an IBM 3084-QX CPU hour, to arrive at an evaluation bid price for each phase. The individual evaluation bid prices will be totaled and their sum transferred to Line E of the Attachment.

The conversion table displayed in Attachment 12-7.1, HOURLY REIMBURSEMENT CONVERSION TABLE, is included as an example to assist Proposers in the comparative pricing of computer CPU time. When the Proposer's hourly rate is multiplied by the conversion factor appropriate to the Proposer's own computer system, a rate standardized to one CPU hour spent on an IBM 3090-600S system is obtained. The converted rate obtained can then be comparatively evaluated in relation to other rates cost proposal and then converted.

The Proposer should obtain the conversion factor for its system by using Cheryl Watson's most current CPU Chart (see www.watsonwalker.com).

j. TELEPHONE SERVICE CENTER (TSC) BID PRICE FORMS, ATTACHMENTS 12-8 through 12-9

The proposer shall submit a bid price per telephone minutes for the base volume range for each of the contract phases including the extensions. In addition, the proposer shall submit a bid price per telephone minutes for each level of inquiries not within the telephone minutes base volume range. The bid price for telephone minutes base volume range shall be the evaluated bid price for the base volume. The bid price for telephone minutes in each level shall be multiplied by the number of inquiries in each level to determine the evaluated bid price for the level. The number of levels within the maximum range and minimum range is to be determined by the proposer (not to exceed five each for the plus and minus levels) based on its supporting documentation within the cost proposal. The levels in the maximum range shall be identified with a plus sign (+). The levels in the minimum range shall be identified with a negative sign (-). The product of the minimum levels shall be a negative amount. The product of these calculations and the bid price for the base volume will be the evaluated bid price for each contract phase. The total evaluated bid price for each contract phase will be shown in the far right-hand column of Attachment 12-8 for the Provider Line TSC and in the far right-hand column of Attachment 12-9 for the Beneficiary Line TSC. The sum of all evaluated bid prices from Attachments 12-8 and 12-9 shall be transferred to Columns B and C on Attachment 12-10, respectively.

k. CONSOLIDATED TSC BID PRICE FORM, ATTACHMENT 12-10

In conjunction with Attachments 12-8 and 12-9, the proposer must complete Attachment 12-10. This is done by transferring the evaluation bid prices in each phase from Attachments 12-8 and 12-9 to the corresponding location on Attachment 12-10. After all evaluation bid prices have been transferred, they are totaled for each contract phase. The total bid prices shown for each are then totaled to arrive at the evaluated consolidated TSC bid price.

l. TURNOVER BID PRICE FORM, ATTACHMENT 12-11

The Proposer shall submit their bid price for Turnover on Attachment 12-11.

m. RUNOUT BID PRICE FORM, ATTACHMENT 12-12

The Proposer shall submit their bid price for Runout on Attachment 12-12.

n. TOTAL EVALUATION BID PRICE FORM, ATTACHMENT 12-13

The Proposer shall add Lines B - H on Attachment 12-13 to arrive at the total cost proposal bid price (Line A is excluded from this total because Takeover costs will not be a consideration in the cost proposal evaluation). This amount shall then be entered on Line I. The total evaluation bid price shown on Line I will be given a numeric score in relation to the lowest total evaluated cost proposal bid price, and then it will be multiplied by the respective weight assigned to this component of the evaluation score.

o. ADDITIONAL CONTRACTUAL SERVICES (ACS) BID PRICE FORM, ATTACHMENT 12-14

The Proposer shall submit a separate, stand-alone bid price for the design, development, implementation, and operations for each ACS. The Proposer must bid an ACS Operations Fixed Price for each of the four contract years and each of the three extension years. The ACS bid price shall not be included in the total evaluated cost proposal bid price, but the ACS bid price must be submitted with the Cost Proposal on Attachment 12-14. The Proposer should include justification for the cost of implementing the ACS.

The Department may request cost data to substantiate the bid price for an ACS. The Proposer must supply such cost data from the escrow account, except to the extent that the cost data requested contains confidential, proprietary, or trade secret information. In that event, the Department's review of the parts of the cost data that the Proposer claims are proprietary shall be governed by this RFP, Section D, Proposer Questions.

p. BID ALLOCATION WORKSHEET, ATTACHMENT 12-15

Complete the Bid Allocation Worksheet.

q. COST PROPOSAL RESPONSE GUIDE, ATTACHMENT 12-16

The Cost Proposal Response Guide identifies where information may be located in the RFP. The Proposer must place a check mark in the column next to each bid price form that is included in the cost proposal.

r. CHANGE ORDERS

Costs not bid. A sample of the Change Order Pricing Proposal Form to be used by the Contractor to submit Change Orders during the term of the contract may be found in Exhibit E-Attachment II.

s. COST REIMBURSEMENT

Costs not bid.

M. Proposal Submission

1. General Instructions

- a. Assemble the Original Set, eleven (11) copies, and the one (1) CD ROM of your technical proposal according to the instructions in RFP Section K.2. Assemble the Original Set, eleven (11) copies and the four (4) CD ROMs of your cost proposal according to the instructions in RFP Sections L.2., L.3. and L.5.
- b. Package your technical proposal as instructed in RFP Section K.2. Package your cost proposal as instructed in RFP Section L.2.
- c. Mail or arrange for hand delivery of your proposal (both technical and cost) to the Department of Health Services at the address specified below. Do not wait until shortly before the deadline to submit your proposal. Proposals may not be transmitted electronically by fax or email.
- d. The DHS Office of Medi-Cal Procurement must receive your technical proposal and your cost proposal, regardless of postmark or method of delivery, by 4:00 p.m. Pacific Time on March 5, 2004. .
- e. Any technical or cost proposals received after 4:00 p.m. on March 5, 2004, will be rejected by the Department as not being timely. There will be no exceptions to this policy.
- f. Late proposals will not be reviewed or scored. Proposals received after the deadline will be returned to the Proposer.
- g. It is the sole responsibility of the Proposer to ensure that the OMCP receives proposals by the required time and date.
- h. Label and submit your proposal to the following address using one of these methods:

Hand Delivery or Overnight Express/Courier:	U.S. Mail:
Proposal for RFP 03-75006 Lisa Kale/Denise Peterson CA Department of Health Services Office of Medi-Cal Procurement MS 4200 600 North Tenth Street, Room 240C Sacramento, CA 95814	Proposal for RFP 03-75006 Lisa Kale/Denise Peterson CA Department of Health Services Office of Medi-Cal Procurement MS 4200 P.O. Box 997413 Sacramento, CA 95899-7413

If you choose hand delivery, allow sufficient time to locate parking, sign in at the Security desk, and have OMCP staff meet you to accept your proposals. For driving and parking instructions, please see RFP Appendix 5.

2. Proof of timely receipt

- a. Upon delivery of the technical and costs proposals to the OMCP, each Proposer will be issued a receipt indicating the date and time the proposal was received. Security personnel or DHS staff will log in your proposal and attach a date/time slip or bid receipt to each proposal package/envelope received. If a proposal envelope or package is hand delivered, staff will give the proof of receipt to the hand carrier. If a proposal envelope or package is mailed, the DHS staff will mail a receipt to the Proposer.
- b. To be timely, DHS' OMCP must receive each proposal at the stated delivery address no later than 4:00 p.m. on the proposal submission due date. Neither delivery to the department's mailroom or a U.S. Postal Service postmark will serve as proof of timely delivery.
- c. DHS will deem late proposals nonresponsive.

3. Proposer costs

Proposers are responsible for all costs of developing and submitting a proposal. Such costs cannot be charged to DHS or included in any cost element of a Proposer's price offering.

N. Evaluation and Selection

Evaluation and Selection will consist of multiple stages as detailed below. The evaluation process will be used to review and/or score proposals. DHS will reject any proposal that is found to be non-responsive at any stage of evaluation. An evaluation committee will be used for all stages during the evaluation and selection process. The evaluation committee is comprised of four groups:

- The **Preliminary Review Committee (PRC)** consists of team leads from the OMCP and the Payment Services Division (PSD) and conducts Stage 1 review.
 - The **Evaluation Scoring Committee (ESC)** consists of Medi-Cal Dental Services Branch (MDSB) staff and DHS staff working in other areas of the Medi-Cal program. The ESC is responsible for the review of proposals.
 - The **Rating Review Committee (RRC)** consists of OMCP management staff and members of the PRC. The RRC will interact with the ESC throughout the evaluation process.
 - The **Executive Review Committee (ERC)** consists of DHS management officials. The ERC may, at the members' discretion, review evaluation and selection processes and recommended scores for each proposal throughout the procurement process. This review is to assure all appropriate procedures and processes have been followed. Additionally, the ERC may seek independent review or advice from individuals within DHS or elsewhere regarding procurement policy matters, technical and/or cost proposal deficiencies, and acceptability.
1. Stage 1 – Reviewing Required Attachment/Certification Checklist, Attachment 2a
 - a. Shortly after the proposal submission deadline, the PRC will convene to review each proposal for timeliness, completeness and initial responsiveness to the RFP requirements. This is a pass/fail evaluation.
 - b. In this review stage, the PRC will compare the contents of each proposal to the claims made by the Proposer on the Required Attachment / Certification Checklist, Attachment 2a, to determine if the Proposer's claims are accurate.
 - c. If deemed necessary, the PRC, may collect additional documentation (i.e., missing forms, missing data from RFP attachments, missing signatures, etc.) from a Proposer to confirm the claims made on the Required Attachment / Certification Checklist, and to ensure that the proposal is initially responsive to the RFP requirements. It is incumbent upon the Proposer to ensure that all required forms, data, information, etc. are complete, correct, and signed (if required) when the proposal is submitted.
 - d. If a Proposer's claims on the Required Attachment / Certification Checklist cannot be proven or substantiated, the proposal may, at DHS' sole discretion, be deemed non-responsive and rejected from further consideration.

2. Stage 2 – Scoring of Technical Proposal (Pass/Fail Component)

- a. Technical Proposals that meet the basic format requirements, initial qualification requirements and contain the required documentation, as evidenced by passing the Stage 1 review, will be submitted to the ESC.
- b. The ESC will individually and/or as a team review and evaluate proposals based on the proposal's adequacy, thoroughness, and the degree to which it complies with the RFP requirements. Stage 2 evaluation questions will be scored on a Pass/Fail basis. **Failure to pass any single criterion will cause DHS to deem the technical proposal nonresponsive and exclude it from further consideration.**
- c. The ESC will use the following scoring system for each question:

Score	General basis for score determination
Pass	Proposal response (i.e., content and/or explanation offered) is barely, fully, or more than adequate or barely, fully or more than meets DHS' needs/requirements or expectations. The omission(s), flaw(s), or defect(s), if any, may be consequential but are acceptable.
Fail	Proposal response (i.e., content and/or explanation offered) is inadequate or does not meet DHS' needs/requirements or expectations. The omission(s), flaw(s), or defect(s) are significant and unacceptable.

Proposer Capability Evaluation Questions Section K.3.d.	Pass	Fail
1. Upon reviewing the Proposer's description of its business history, are the Proposing firm's goals relevant or related to this project?		
2. From the experience described in its proposal, does the Proposer possess experience in operating and managing a Medicaid, Medicare, or other health insurance claims processing system(s)?		
3. From the experience described in its proposal, does the Proposer possess experience in operating and managing a large-scale data processing system?		
4. From the experience described in its proposal, does the Proposer possess experience in operating and managing other government contracts?		
5. Does the Proposer show that it has a senior management team for the contract?		

Proposer Capability Evaluation Questions (continued)		Pass	Fail
6. In reviewing the commitment of the Proposer's staff, does it guarantee an employee's assignment to the contract will continue; i.e., an employee will be assigned to this contract for at least two years, and the Contractor Representative for at least three years (excluding employee termination of all relationships with the Proposer or Proposer's subcontractors as they apply to this contract)?			
7. Does the Proposer show that the Contractor Representative will have decision-making authority for administrative and system decisions and ability to bind the said decisions to the Proposer?			
8. Does the Proposer show reporting relationships between the Contractor Representative and any subcontractors? Does the Proposer show reporting relationships between the Contractor Representative and the required management team staff?			
9. Does the Proposer's contract priority statement show that this contract will be of high priority to the Proposer and any parent corporations or subcontractors?			
10. Did the Proposer identify all affiliates or persons and concerns exercising control or ownership of the Proposer and any or all of its affiliates? In this question, evaluate whether the Proposer indicated the type of control or ownership; i.e., common officers, directors, stockholders with controlling interest.			
Proposer Capability Score	Pass _____ Fail _____		

Financial Stability Plan Evaluation Questions Section K.3. i.		Pass	Fail
11. Does the Proposer show it has financial resources to maintain the capital investment in this project until the Department accepts the deliverables for Takeover?			
12. Does the Proposer show that it has the ability to generate positive cash flow from other ongoing operations and/or working capital to cover the lapse between the time the Contractor incurs costs and the Department makes payments in connection with such costs? This includes the ability to endure cash flow shortages or other financial difficulties that might otherwise have a significant adverse effect upon the Contractor's operations and interfere with the Contractor's ability to satisfy its obligations under this contract.			

Financial Stability Plan Evaluation Questions (continued)		Pass	Fail
13. Does the Proposer show the ability to establish and maintain tangible net worth to provide for unexpected fluctuations or trends in incurred Medi-Cal dental claims costs, or any other cost overruns, or to withstand payment delays or liquidated damage assessments if the Contractor deliverables are rejected by the Department as unacceptable?			
14. Does the Proposer show the ability to meet tangible net worth requirements as outlined in Minimum Financial Criteria?			
15. Are the Proposer's capital resources available for use in performing this fiscal intermediary contract?			
16. Does the Proposer show financial ratios of liquidity and debt that demonstrates financial stability?			
17. Does the Proposer show that it has tangible net worth and working capital to ensure: ◆ That each task is completed during Takeover? ◆ The ongoing operation of the system? ◆ The Turnover of the system to the successor Contractor which is in accordance with RFP requirements?			
18. Are the Proposer's financial statements for the last fiscal year-end accompanied by a qualified audit opinion from an independent certified public accountant?			
19. (For a subsidiary entity) Did the Proposer submit a guaranty from that entity in the Proposer's chain of ownership that is publicly traded? <i>Note "N/A" if Proposer is not a subsidiary.</i>			
Financial Stability Plan Score	Pass _____ Fail _____		

Takeover Plan Evaluation Questions Section K.3.e.4)a)	Pass	Fail
Does the Proposer's Takeover Work Schedule describe an understanding of all activities connected with the Takeover phase? This includes an understanding of the interrelationships and functional dependencies between all required tasks as well as an approach for successful completion of the entire Takeover function with assurance that the Proposer will conform to all Contractor responsibilities.		

Takeover Plan Evaluation Questions (continued)		Pass	Fail
21. Has the Proposer shown understanding of all required Takeover milestones and deliverables as required in the RFP? Do milestones and definitions meet submission requirements?			
22. Does the Proposer's Takeover Workplan ensure logical and viable positive control over all aspects of the Takeover process, including allocation and distribution of resources to complete required tasks? Does Proposer's plan offer methods to resolve and/or avoid identified problem or provide contingency plans if the problem(s) cannot be resolved or avoided?			
Takeover Work Schedule Score	Pass _____ Fail _____		

Personnel Acquisition Plan Evaluation Questions Section K.3.h.		Pass	Fail
23. Does Proposer have acquisition methods to recruit and select staff? Does the proposed Staff Loading Chart assure the Department that experienced and trained personnel are available to support all Takeover tasks and begin full CD-MMIS operations?			
24. Does the Proposer show that the proposed acquisition methods ensure that staff hired are experienced, especially in the specialized areas; e.g., Systems Group to begin operations without interruption of services?			
25. Does the Proposer show that alternative action and/or contingency plans are offered to ensure provision of service to providers, beneficiaries, and the Department without interruption?			
Personnel Acquisition Plan Score	Pass _____ Fail _____		

Project Personnel Evaluation Questions Section K.3.g.		Pass	Fail
26. Does the Proposer describe its organizational structure and proposed staffing levels?			
27. Does the Proposer show that the proposed staff for each organizational unit represents the appropriate classification(s)?			
28. Does the Proposer show that the organizational structure provides for a logical division of responsibilities and workable reporting relationships?			
Project Personnel Score	Pass _____ Fail _____		

Facilities and Resources Evaluation Questions Section K.3.j.		Pass	Fail
29. Does the Proposer's plan commit the Proposer to securing a facility and making all necessary modifications on a timely basis to meet RFP requirements and Department needs, including the commitment to provide space for Department on-site monitoring as required in the RFP? Does the Proposer include all necessary tasks and clearly define, through narrative description, supporting documentation, and Gantt charts (or equivalent) that the tasks are reasonable and logical in terms of sequencing, interdependencies, and priorities?			
30. Does the Proposer show an understanding of the interdependencies with other Takeover tasks?			
31. Does the Proposer show how the plan provides for the monitoring of plan progress and reporting to the Department?			
32. Does the Proposer intend to secure a facility located within a 25-mile radius of the Capitol, including lease or purchase options and evidence of timely telephone, telecommunications, electrical service, special computer electrical equipment, and raised floor and air-conditioning installation?			
33. Does the Proposer's plan meet all RFP requirements in providing for interim Takeover space and permanent space for Department staff?			
34. Does the Proposer show that it has access to a computer center that can fulfill the necessary processing requirements as described in the RFP?			
Facilities and Resources Score		Pass _____ Fail _____	

System Test Plan Evaluation Questions Section K.3.e.4)b)	Pass	Fail
35. Does the Proposer show that the overall system test plan is logical and feasible in terms of tasks, timeframes and staffing? Does Proposer show that related task plans are coordinated, logical, and feasible to accommodate testing according to the time schedule? Does the Proposer address communications relating to status reporting, deficiency correction, and Department approval? Does Proposer address timely dialogue between the Contractor and the Department to facilitate active, preventive intervention when problems are anticipated or occur?		

System Test Plan Evaluation Questions (continued)		Pass	Fail
36. Does the Proposer define standards for system testing documentation? Does the Proposer define how these standards will maximize assistance to the Department for streamlining and enhancing its own acceptance testing of the CD-MMIS?			
<p>37. Does the Proposer's system tests cover all manual and automated segments of the CD-MMIS and relate to CD-MMIS design specifications? Does the Proposer show that proposed system tests are designed to address potential situations that may occur, as well as monitor the Contractor's handling of these situations in accordance with contract requirements?</p> <p>Does the Proposer define, identify, and schedule each proposed unit test in priority order, and show that the situation to be tested is logical and pertinent to the goal of testing the Contractor's proficiency and ability to meet contract requirements? Does the Proposer identify the expected results of any system test?</p> <p>Does the Proposer's plan for providing system testing of CD-MMIS show a logical, feasible, and progressive manner by program (unit test) and job structure? Does the Proposer show that proposed criteria for determining when system testing is completed is pertinent and measures the Contractor's performance in the tested areas?</p>			
38. Does the Proposer show that the plan provides for the performance of the two required parallel tests?			
System Test Plan Score	Pass ____ Fail ____		

3. Stage 3—Scoring the Technical Proposal (Point Scored/Weighted Component)

- a. Proposers that passed all evaluation questions in Stage 2 will advance to Stage 3 of the evaluation process.
- b. The technical proposal score represents 60% of the overall proposal score.
- c. The ESC will individually and/or as a team review and evaluate proposals based on the proposals' adequacy, thoroughness, and the degree to which they comply with the RFP requirements.

- d. The ESC will use the scoring system detailed in the chart below to assign points. In addition to the points available for each evaluation question, there is also a weighting factor for each question. The Points Awarded to a Proposer will be multiplied by the respective Weight. The product equals Total Points Earned.

Following this chart is a list of considerations that the ESC may take into account when assigning points to a technical proposal.

Points	Interpretation	General basis for point assignment
1	Barely Adequate	Proposal response (i.e., content and/or explanation offered) is barely adequate or barely meets DHS' needs/requirements or expectations. The omission(s), flaw(s), or defect(s), may be consequential but are acceptable.
2	Adequate	Proposal response (i.e., content and/or explanation offered) is adequate or meets DHS' needs/requirements or expectations. The omission(s), flaw(s), or defect(s), if any, are inconsequential and acceptable.
3	More than Adequate	Proposal response (i.e., content and/or explanation offered) is more than adequate or fully meets DHS' needs/requirements or expectations. Minimal weaknesses are acceptable.
4	Excellent or Outstanding	Proposal response (i.e., content and/or explanation offered) is well above average or exceeds DHS' needs/requirements or expectations. Proposer offers one or more enhancing features, methods or approaches that will enable performance to exceed DHS' basic expectations.

- e. In assigning points for individual Evaluation Questions, the ESC may consider issues including, but not limited to, the extent to which a technical proposal:
- 1) Is lacking information, lacking depth or breadth or lacking significant facts and/or details, and/or;
 - 2) Is fully developed, comprehensive and has few if any weaknesses, defects or deficiencies, and/or;
 - 3) Demonstrates that the Proposer understands the Department's needs, the services sought, and/or the contractor's responsibilities, and/or;

- 4) Illustrates the Proposer's capability to perform all services and meet all Scope of Work requirements, and/or
 - 5) If implemented, will contribute to the achievement of Department goals and objectives; and/or
 - 6) Demonstrates the Proposer's capacity, capability and/or commitment to exceed regular service needs (i.e., enhanced features, approaches, or methods; creative or innovative business solutions).
- f. Technical proposals will be scored on a scale of up to 300 points, as follows:

Proposers may be awarded up to 40 points per Evaluation Section. Each Evaluation Section has a corresponding Section Weight. The product of the points awarded and the Section Weight equals the Score per Section.

Final technical proposal scores shall result in numbers rounded to two decimal places.

Evaluation Section	Points Available	Section Weight	Maximum Score per Section
S/URS Subsystem Plan	10-40	1.350	54
Claims/TARs Processing Plan	10-40	1.725	69
Quality Management Plan	10-40	.900	36
Systems Group Procedures and Organization Plan	10-40	1.350	54
Provider Services Plan	10-40	1.275	51
Beneficiary Services Plan	10-40	.900	36
MAXIMUM TECHNICAL PROPOSAL SCORE			300

S/URS Subsystem Plan Evaluation Questions Section K.3.e.4)h)	Points Awarded (1-4)	Multiplied by Weight	Equals Total Points Earned
1. To what extent has the Proposer demonstrated knowledge and understanding of the work to be performed under the CD-MMIS S/URs subsystem as identified in the RFP and will ensure performance requirements are met?		4.0	
<p><u>When evaluating the above question, consider the following:</u></p> <p>Logic and feasibility of the system.</p> <p>Knowledge and understanding of the RFP requirements.</p> <p>Knowledge and/or understanding of the interrelationships within the CD-MMIS.</p> <p>Understanding of the nature of the work.</p> <p>Knowledge and understanding of workload management.</p> <p>Understanding contingency plans and their use for problems, which cannot be avoided.</p> <p>Demonstrated knowledge and understanding of the reporting requirements, including ad hoc reporting and pre-defined standardized reporting.</p> <p>Demonstrated knowledge and understanding of the requisite staffing required to meet the objectives.</p> <p>Demonstrated knowledge and understanding of the specialized nature of the SURS including the requirement for random sample generation, the use of Statistically Valid Samples, fraud detection, and statistical analysis functionality.</p>			

S/URS Subsystem Plan Evaluation Questions Section K.3.e.4)h)	Points Awarded (1-4)	Multiplied by Weight	Equals Total Points Earned
2. To what extent has the Proposer described a management approach discussing how the work will be done to ensure performance requirements are successfully met?		3.0	
<p><u>When evaluating the above question, consider the following:</u></p> <p>Description of how the RFP requirements will be met.</p> <p>Knowledge of interrelationships within the CD-MMIS work.</p> <p>Understanding of the nature of the work.</p> <p>Methods used to manage workload and the flow of workload.</p> <p>Techniques used to handle fluctuations in workload, which do not hinder performance or decrease services.</p> <p>Design of the organization.</p> <p>Controls to measure effectiveness of systems.</p> <p>How contingency plans will be used for problems that cannot be avoided.</p> <p>Description of improvement in S/URS processing.</p> <p>Tools which will be used to ensure successful performance and how these tools will work.</p> <p>Demonstrated ability to develop and implement procedures, processes, methods, and tools that will be used to ensure the S/URS processing requirements will be met.</p> <p>Qualified staff availability to carry out assigned work.</p>			

S/URS Subsystem Plan Evaluation Questions Section K.3.e.4)h)	Points Awarded (1-4)	Multiplied by Weight	Equals Total Points Earned
3. To what extent does the Proposer 's plan demonstrate the understanding of, and commitment to, quality improvement and customer service?		3.0	
<p><u>When evaluating the above question, consider the following:</u></p> <p>Demonstrated knowledge of the necessary coordination required between Department staff to prepare for scheduled data load and performing backup of regularly scheduled data on the data warehouse.</p> <p>Demonstrated understanding of the ongoing loading of data, system backup, and archiving of old data on a weekly basis.</p> <p>Demonstrated understanding of the necessary maintenance associated with the S/URS enhancements.</p> <p>Description of the plan to acquire the necessary equipment, (e.g., computer hardware, software, and other necessary peripherals).</p> <p>Demonstrated understanding of the necessary software license fees and agreements.</p> <p>Demonstrated understanding of the database monitoring and tuning requirements.</p> <p>Demonstrated ability to meet the demand and user needs through on-call support functions and operations.</p> <p>Demonstrated understanding of the data restoring procedures.</p>			

Claims/TARs Processing Plan Evaluation Questions Section K.3.e.4)c)	Points Awarded (1-4)	Multiplied by (Weight)	Equals Total Points Earned
4. To what extent has the Proposer demonstrated an understanding of the work to be performed under the CD-MMIS claims/TAR processing system?		2.0	
<p><u>When evaluating the above question, consider the following:</u></p> <p>Logic and feasibility of the system.</p> <p>Knowledge and understanding of the RFP requirements.</p> <p>Knowledge and/or understanding of the interrelationships within the CD-MMIS.</p> <p>Understanding the nature of the work.</p> <p>Knowledge and understanding of workload management.</p> <p>Understanding contingency plans and their use for problems which cannot be avoided.</p> <p>Development of improvements in claims/TAR processing (those which do not require system enhancements).</p> <p>Knowledge of the following processes: claim/TAR input preparation; claim/TAR adjudication; claim payment; claim resolution and adjustment; and cycle time.</p> <p>Understanding of the importance of accurately and timely processing a fluctuating, high volume of claims.</p> <p>Knowledge of different dental programs; (e.g., California Children's Services/Genetically Handicapped Persons Program, California Children's Treatment Program, Health Families Program, and Children's Medical Services Program), and the unique scope of benefits and processing requirements for each program.</p> <p>Familiarity and willingness to interact with customers, e.g., providers, beneficiaries, State/Federal employees, for increased customer benefits.</p>			

Claims/TARs Processing Plan Evaluation Questions Section K.3.e.4)c)	Points Awarded (1-4)	Multiplied by (Weight)	Equals Total Points Earned
5. To what extent has the Proposer described a management approach discussing how the work will be done to ensure performance requirements are successfully met?		5.0	
<p><u>When evaluating the above question, consider the following:</u></p> <p>Description of how the RFP requirements will be met.</p> <p>Knowledge of interrelationships within the CD-MMIS work.</p> <p>Understanding of the nature of the work.</p> <p>Methods used to manage workload and the flow of workload.</p> <p>Techniques used to handle fluctuations in workload, which do not hinder performance or decrease services.</p> <p>Design of the organization.</p> <p>Controls to measure effectiveness of systems.</p> <p>How contingency plans will be used for problems that cannot be avoided.</p> <p>Benefits that customers will derive.</p> <p>Description of improvement in processing (those which do not require system enhancements).</p> <p>Tools which will be used to ensure successful performance and how these tools will work.</p> <p>Demonstrated ability to develop and implement procedures, processes, methods, and tools that will be used to ensure the claims/TAR processing requirements will be met.</p> <p>The means to streamline the claims/TAR processing system in a way that benefits the provider community and the State.</p> <p>Appropriate staff assigned to appropriate work duties.</p> <p>Required staff availability to carry out assigned work.</p>			

Claims/TARs Processing Plan Evaluation Questions Section K.3.e.4)c)	Points Awarded (1-4)	Multiplied by (Weight)	Equals Total Points Earned
6. To what extent does the Proposer demonstrate understanding of, and commitment to, quality improvement and customer service?		3.0	
<p><u>When evaluating the above question, use the following considerations:</u></p> <p>Structured improvements to the method of processing claims/TARs which improves accuracy, increases the ease of billing by providers, and decreases the number of times providers are required to correct claims/TARs which are legitimately billable and payable.</p> <p>Methods which notify management regarding performance both on the part of the fiscal intermediary and the provider.</p> <p>Overall philosophy about operating an effective claims/TARs processing system.</p> <p>Methods to identify and resolve problems.</p> <p>Benefits which customers will derive.</p> <p>Internal communication linkages between claims/TARs processing staff, and provider relations and beneficiary services staff.</p>			

Quality Management Plan Evaluation Questions Section K.3.e.4)d)	Points Awarded (1-4)	Multiplied by Weight	Equals Total Points Earned
7. To what extent does the Proposer's plan demonstrate the Proposer's knowledge and understanding of developing preventative measures to identify, research, and report on the causes of problems which, if resolved, would increase the effectiveness and accuracy of the CD-MMIS system?		3.0	
<p><u>When evaluating the above question, consider the following:</u></p> <p>Logic and feasibility of the Proposer's plan.</p> <p>Knowledge and understanding of the RFP requirements.</p> <p>Knowledge of the interrelationships within the CD-MMIS.</p> <p>Understanding of the nature of the work.</p> <p>Knowledge and understanding of the internal process used to ensure timely and accurate claims/TARs processing.</p> <p>Demonstrated ability to develop and implement procedures, processes, methods, and tools which will be used to ensure the on-going improvement of claims processing and other performance areas.</p> <p>Methods to be used in providing reactive measurement and reporting of system performance.</p> <p>Methods to be used in providing a proactive process, policy review, and recommendations.</p> <p>Knowledge regarding processes to measure quality.</p> <p>Proposed techniques to reduce human error.</p> <p>Proposed measures to increase the effectiveness and accuracy of the problem statement process.</p> <p>Understanding of the methods to be used for assuring accurate claims payment.</p> <p>Understanding of contingency plans and their use for problems that cannot be avoided.</p> <p>Understanding of required Contractor staffing levels.</p>			

Quality Management Plan Evaluation Questions Section K.3.e.4)d)	Points Awarded (1-4)	Multiplied by Weight	Equals Total Points Earned
8. To what extent has the Proposer described a process for coordinating and conducting quality management activities?		7.0	
<p><u>When evaluating the above question, consider the following:</u></p> <p>Description of process for exchanging data both internal to the Contractor and external to the Department.</p> <p>Mechanism proposed to ensure required reports are delivered to appropriate parties within the required time frames.</p> <p>Methods used to measure the accuracy of information contained in required reports.</p> <p>Description of design of organization and reporting relationships.</p> <p>Necessary and appropriate staff to perform quality management functions.</p> <p>Presence of required and appropriate staff.</p> <p>Understanding of duties and functions performed by quality management staff.</p> <p>Standards to measure individual employee performance.</p> <p>Effective monitoring and measuring of the quality and quantity of employee production to ensure adequacy.</p> <p>Methods to gather accurate required information for the monthly quality management performance reports.</p> <p>Understanding the contribution of quality management to the success of the contract.</p> <p>Knowledge and understanding of how to solicit provider feedback regarding the on-going performance of the contract.</p> <p>Understanding of Problem Correction System reporting and tracking procedures.</p>			

Systems Group Procedures and Organization Plan Evaluation Questions Section K.3.e.4)e)	Points Awarded (1-4)	Multiplied by Weight	Equals Total Points Earned
9. To what extent has the Proposer demonstrated knowledge and understanding of the work to be performed under the CD-MMIS system change requirement as identified in the RFP and which will ensure performance?		5.0	
<p><u>When evaluating the above question, consider the following:</u></p> <p>Logic and feasibility of the Proposer's plan.</p> <p>Knowledge and understanding of the RFP requirements.</p> <p>Knowledge of the interrelationships within the CD-MMIS.</p> <p>Understanding of the nature of the work.</p> <p>Process used to ensure deliverables are accurate, concise, effective, and delivered to the Department within the required time frames.</p> <p>Emphasis on development of a system that has the capability to implement changes effectively and timely.</p> <p>Methods used to report the progress or delays in the implementation of system changes during the life of the contract.</p> <p>Understanding of the steps involved in the system development phases/deliverables.</p> <p>Design methodology that will be used to implement system changes.</p> <p>Methods that will be used to ensure system changes are done expeditiously and timely.</p> <p>Use of automated tools to ensure effective estimating, tracking, reporting, and control.</p> <p>Understanding of the size and scope of the work and the impact of unanticipated projects.</p>			

Systems Group Procedures and Organization Plan Evaluation Questions Section K.3.e.4)e)	Points Awarded (1-4)	Multiplied by Weight	Equals Total Points Earned
10. To what extent has the Proposer described a management approach for administering system changes to the CD-MMIS?		5.0	
<p><u>When evaluating the above question, consider the following:</u></p> <p>Organizational structure and reporting relationships.</p> <p>Appropriate staffing levels, functional responsibilities, and qualifications defined.</p> <p>Assurance of staffing continuity.</p> <p>Tools to be used to ensure effective front-end estimating, tracking, reporting, and implementation and control of system changes.</p> <p>Benefits that customers will derive.</p> <p>Management's approach and methods used to track and control project status from design through implementation.</p> <p>Status reporting to the Department.</p> <p>Ability to process, track, and report the status of Dental Operating Instruction Letters, System Development Notices, Problem Statements, Change Orders, Miscellaneous Change Documents, and Contract Amendments.</p> <p>Ability to install changes on a timely basis.</p> <p>Method to perform the steps of the design, development, and implementation phases.</p> <p>Use of staff on billable and non-billable activities.</p> <p>Methods to ensure timely and accurate installation of system changes.</p>			

Provider Services Plan Evaluation Questions Section K.3.e.4)f)	Points Awarded (1-4)	Multiplied by Weight	Equals Total Points Earned
11. To what extent has the Proposer demonstrated knowledge and understanding of the work to be done under the CD-MMIS Provider subsystem as identified in the RFP and that will ensure performance requirements are met?		3.0	
<p><u>When evaluating the above question, use the following considerations:</u></p> <p>Logic and feasibility of the Proposer's plan.</p> <p>Knowledge and understanding of the RFP requirements.</p> <p>Knowledge of the interrelationships within the CD-MMIS.</p> <p>Understanding of the nature of the work.</p> <p>Knowledge and understanding of workload management.</p> <p>Understanding of contingency plans and their use for unavoidable problems.</p> <p>Knowledge and understanding of the interrelated Provider Services requirements and how collectively applied, create a "system of Provider Services" to better serve the provider community</p> <p>Understanding of how the various Provider Relations services interact to ensure that the appropriate type or level of service is being offered to a given customer issue.</p> <p>Understanding and demonstration of the ability to effectively operate Provider Services.</p> <p>Knowledge of the following: responding accurately to a high-volume of telephone inquiries, responding to written correspondence, development and distribution of provided training syllabi and bulletins, conducting provider training, duplication and distribution of forms and manuals.</p> <p>Understanding the importance of the Provider subsystem and its role in the overall success of the Medi-Cal Dental program.</p> <p>Familiarity with customers (e.g., providers, beneficiaries, and the Department) and willingness to interact with these customers thus increasing the benefits they derive.</p> <p>Demonstration of the need to take a proactive approach to addressing and resolving provider concerns/problems.</p>			

Provider Services Plan Evaluation Questions Section K.3.e.4)f)	Points Awarded (1-4)	Multiplied by Weight	Equals Total Points Earned
12. To what extent has the Proposer proposed a TSC system to support inquiries and issues and provide technical support and specific programmatic assistance?		2.0	
<p><u>When evaluating the above question, consider the following:</u></p> <p>Understanding the requirements of the TSC.</p> <p>Description of how the RFP requirements will be met.</p> <p>Understanding the importance of the TSC staff in relation to the overall efficiency of Provider Services as well as the satisfaction of the Provider community.</p> <p>Importance of meeting needs through the TSC whenever possible rather than referring issues.</p> <p>Proposed design of the telephone system and associated equipment.</p> <p>Proposed automated call-vectoring system.</p> <p>Proposed Call Management System.</p>			

Provider Services Plan Evaluation Questions Section K.3.e.4)f)	Points Awarded (1-4)	Multiplied by Weight	Equals Total Points Earned
13. To what extent has the Proposer described a management approach on how the work will be done to ensure performance requirements are successfully met?		3.0	
<p><u>When evaluating the above question, consider the following:</u></p> <p>Description of how the RFP requirements will be met.</p> <p>Knowledge of the interrelationships within CD-MMIS.</p> <p>Understanding of the nature of the work.</p> <p>Methods used to manage workload and the flow of work.</p> <p>Techniques used to handle fluctuation in workload which do not hinder performance or decrease services.</p> <p>Description of the proposed organization, including numbers and types of staff and reporting relationships within Provider Services.</p> <p>Appropriateness of all proposed staffing to fulfill all functional responsibilities.</p> <p>Controls to measure effectiveness of system.</p> <p>Use of contingency plans for unavoidable problems.</p> <p>Benefits that customers derive.</p> <p>Description of improvements in Provider Services subsystem.</p> <p>Use of tools used to ensure successful performance.</p> <p>Demonstrated ability to develop and implement procedures to identify prior authorization or provider billing errors and steps taken to minimize these errors.</p> <p>Staff appropriate to the work who have the knowledge and interpersonal skills to successfully interact with the provider and beneficiary communities.</p> <p>Communication linkage between the Provider Services staff and Beneficiary Services staff.</p> <p>Demonstrated proactive approach to Provider Services.</p>			

Provider Services Plan Evaluation Questions Section K.3.e.4)f)	Points Awarded (1-4)	Multiplied by Weight	Equals Total Points Earned
14. To what extent does the Proposer's plan demonstrate the understanding of, and commitment to, quality improvement and customer service?		2.0	
<p><u>When evaluating the above question, consider the following:</u></p> <p>Methods which notify management regarding performance both on the part of the fiscal intermediary and the provider.</p> <p>Methods to identify and resolve problems.</p> <p>Benefits which customers derive.</p> <p>Structured improvements to the method of providing services to improve accuracy and increase the ease of providers in securing prior authorization and/or in obtaining payment for services rendered, thus decreasing problems that providers encounter with the system.</p> <p>Provider relations staff will have on-site visits with providers.</p> <p>Planned activities to increase provider participation, thus increasing beneficiary access to care.</p> <p>Resources available to out-of-state providers.</p> <p>Mechanism used to obtain provider input regarding needs/concerns, and how these needs/concerns will be resolved.</p>			

Beneficiary Services Plan Evaluation Questions Section K.3.e.4)g)	Points Awarded (1-4)	Multiplied by Weight	Equals Total Points Earned
15. To what extent has the Proposer demonstrated knowledge and understanding of the work to be done under the CD-MMIS Beneficiary subsystem as identified in the RFP and that will ensure performance requirements are met?		3.0	
<p><u>When evaluating the above question, use the following considerations:</u></p> <p>Logic and feasibility of the Proposer's plan.</p> <p>Knowledge and understanding of the RFP requirements.</p> <p>Knowledge of the interrelationships within the CD-MMIS.</p> <p>Understanding of the nature of the work</p> <p>Knowledge and understanding of workload management.</p> <p>Understanding of contingency plans and their use for unavoidable problems.</p> <p>Knowledge and understanding of the interrelated Beneficiary Service requirements and how collectively applied, create a "system of Beneficiary Service" to better serve the beneficiary community.</p> <p>Understanding of how the various Beneficiary Services interact to ensure that the appropriate type or level of service is being offered to a given customer issue.</p> <p>Understanding and demonstration of the ability to effectively operate Beneficiary Services.</p> <p>Knowledge of the following: responding accurately to a high-volume of telephone inquiries, and responding to written correspondence.</p> <p>Familiarity with beneficiaries and willingness to interact with these customers thus increasing the benefits they derive.</p> <p>Demonstration of the need to take a proactive approach to addressing and resolving beneficiary concerns/problems.</p>			

Beneficiary Services Plan Evaluation Questions Section K.3.e.4)g)	Points Awarded (1-4)	Multiplied by Weight	Equals Total Points Earned
16. To what extent does the Proposer describe a management approach on how the work will be done to ensure performance requirements are successfully met?		3.0	
<p><u>When evaluating the above question, consider the following:</u></p> <p>Description of how the RFP requirements will be met.</p> <p>Knowledge of the interrelationships within CD-MMIS.</p> <p>Understanding of the nature of the work</p> <p>Methods used to manage workload and the flow of work.</p> <p>Techniques used to handle fluctuations in workload that do not hinder performance or decrease services.</p> <p>Description of the proposed organization, including numbers and types of staff and reporting relationships within Beneficiary Services.</p> <p>Appropriateness of all proposed staffing to fulfill all functional responsibilities.</p> <p>Controls to measure effectiveness of system.</p> <p>Use of contingency plans for unavoidable problems.</p> <p>Benefits that customers derive.</p> <p>Description of improvements in Beneficiary Services that the customer can drive benefit from.</p> <p>Use of tools used to ensure successful performance.</p> <p>Staff appropriate to the work that have the knowledge and interpersonal skills to successfully interact with the beneficiary community.</p> <p>Demonstrated proactive approach to Beneficiary Services relations.</p>			

Beneficiary Services Plan Evaluation Questions Section K.3.e.4)g)	Points Awarded (1-4)	Multiplied by Weight	Equals Total Points Earned
17. To what extent has the Proposer proposed a TSC system to support inquiries and issues and provide technical support and specific programmatic assistance?		2.0	
<u>When evaluating the above question, consider the following:</u> Understanding the requirements of the TSC. Description of how the RFP requirements will be met. Understanding the importance of the TSC staff in relation to the overall efficiency of Beneficiary Services as well as the satisfaction of the Beneficiary community. Importance of meeting needs through the TSC whenever possible rather than referring issues. Proposed design of the telephone system and associated equipment. Proposed automated call-vectoring system. Proposed Call Management System.			

Beneficiary Services Plan Evaluation Questions Section K.3.e.4)g)	Points Awarded (1-4)	Multiplied by Weight	Equals Total Points Earned
18. To what extent does the Proposer's plan demonstrate the understanding of, and commitment to, quality improvement and customer service?		2.0	
<p><u>When evaluating the above questions, consider the following:</u></p> <p>Methods to identify and resolve problems.</p> <p>Benefits which customers derive.</p> <p>Planned activities to increase provider participation, thus increasing beneficiary access to care.</p> <p>Mechanism used to obtain beneficiary input regarding needs/concerns, and how these needs/concerns will be resolved.</p>			

4. Stage 4--Additional Contractual Services (ACS) Initial Review

- a. In this stage, the ESC will individually and/or as a team perform an initial review of a Proposer's submitted ACS(s) to assist DHS in determining if the ACS(s) warrant further evaluation prior to contract award.
- b. There are no points associated with Stage 4, and review of a Proposer's ACS(s) during Stage 4 review has no impact on the Proposer's technical proposal score, which was determined in Stages 2 and 3.
- c. In this review stage, ACS evaluation will be Pass/Fail, and will be based upon the degree to which the ACS improves:
 - 1) Beneficiary access to dental medical services;
 - 2) Provider satisfaction and participation;
 - 3) Ability to administer the contract;
 - 4) Ability to administer claims processing programs; and/or
 - 5) Systematic control of program costs.
- d. The ESC will evaluate the following questions to determine if an ACS will Pass or Fail. An ACS that receives "pass" credits on at least four (4) of the seven (7) evaluation questions will be considered "accepted". An ACS that receives three (3) or fewer "pass" credits out of the seven (7) evaluation questions will be considered "rejected".
 - 1) If accepted by the ESC, the ACS will be subject to further evaluation, including a cost analysis to determine if the benefit derived from implementation of the ACS is worth the cost of development. This further evaluation will occur after the Notice of Intent to Award is posted.
 - 2) If rejected by the ESC, the ACS will simply not become a part of the contract. As mentioned above, rejection of an ACS(s) has no effect on a Proposer's technical proposal score.
 - 3) If the Department accepts or rejects an ACS, the Proposer will be notified at the end of the procurement process. No further action on the ACS will take place until then.
 - 4) Prices for ACSs will not be included in the calculation of the total evaluated price used in cost proposal scoring.

Initial Review of ACS Criteria	Pass	Fail
Is the ACS an improvement of existing operations?		
Is the ACS consistent with Department policy?		
Is the ACS consistent with the requirements and intent of the RFP?		
Does the ACS allow for Department monitoring and auditing?		
Is the ACS in the best interest of the Department?		
Is the ACS feasible to implement?		
Does the ACS show an understanding of the CD-MMIS and its related subsystems?		
		Pass Credits Earned _____

5. Stage 5 – Cost Proposal Evaluation

The Cost Proposal evaluation consists of two parts.

- a. First, the PRC will reconvene to review each cost proposal for completeness and responsiveness to the RFP requirements.
 - 1) The PRC will compare the contents of each cost proposal to the claims made by the Proposer on Required Attachment/Certification Checklist, Attachment 2b, to determine if the Proposer's claims are accurate.
 - 2) If a Proposer's claims on the Required Attachment/Certification Checklist, Attachment 2b, cannot be proven or substantiated, the cost proposal may, at DHS' sole discretion, be deemed non-responsive and the entire proposal rejected from further consideration.
 - 3) Submission of a complete cost proposal in the Department's prescribed format is mandatory. If a Proposer fails to comply, its cost proposal, may, at DHS' sole discretion, be deemed non-responsive and the entire proposal rejected from further consideration.
- b. Second, after it has been determined that the cost proposal is complete and in compliance with the RFP instructions, the ESC will:
 - 1) Review the cost proposal to ensure that it contains nothing that changes how the contract payment structure operates, the incentives provided in the payment structure, or the Contractor's demonstrated ability to perform the contract (Contractor responsibility).
 - 2) Evaluate whether the Proposer states its awareness that all prices contained in its proposal are fixed.

- 3) Evaluate each overall price in relation to the lowest overall price submitted. The lowest price will be given the maximum points allowed, while the other prices will be scored using the following formula:

$$\frac{\text{Lowest Cost Price}}{\text{Proposed Cost Price}} \times 200 \text{ Points (Maximum Price Cost Score)} = \text{Cost Proposal Score}$$

- 4) In the event of arithmetic or transposition errors, the Department will interpret numbers contained in the Cost Proposal in the manner described in the Department Rights, section N.8.d.1, Correction of Clerical or Mathematical Errors.
- 5) The maximum amount of points that can be earned from the Cost Proposal is 200, representing 40% of the overall proposal score. Final cost proposal scores shall result in numbers rounded to two decimal places.

6. Stage 6 – Adjustments to Score Calculations for Bidding Preferences

- a. The Department, at its sole discretion, will determine which firms, if any, are eligible to receive a bidding preference (i.e., small business preference).
- b. To confirm the identity of the highest scored responsible Proposer, the Department will adjust the total proposal costs for applicable claimed preference(s) and will readjust the cost score of those Proposers eligible for bidding preferences. The Department will apply preference adjustments to eligible Proposers according to Department of General Services regulations following verification of eligibility with the Department of General Services, Office of Small Business Certification and Resources. More information about the allowable bidding preferences appears in section R “Preference Programs.”
- c. The overall price of Proposers claiming the Small Business Preference will be adjusted by the appropriate percentage in order to determine the lowest bid price after adjustment. This adjusted bid price will be used to calculate cost proposal point awards.

7. Stage 7 – Calculating the Total Proposal Score

The RRC will use the formula shown below to calculate total proposal scores and to determine the highest scored proposal. The final total proposal score calculations shall result in numbers rounded to two decimal places.

$$\text{Technical Proposal Score} + \text{Cost Proposal Score} = \text{TOTAL PROPOSAL SCORE}$$

O. Bid Requirements and Information

1. Nonresponsive proposals

In addition to any condition previously indicated in this RFP, the following occurrences **may** cause DHS to deem a proposal nonresponsive.

a. Failure of a Proposer to:

- 1) Meet DVBE participation goals or to demonstrate that a substantial Good Faith Effort (GFE) was made to meet those goals.
- 2) Meet proposal format/content or submission requirements including, but not limited to, the sealing, labeling, packaging and/or timely and proper delivery of proposals.
- 3) Pass the Required Attachment / Certification Checklist review (i.e., by not marking "Yes" to applicable items
- 4) Submit a **mandatory** Conflict of Interest Compliance Certificate in the manner required, if applicable.

b. If a Proposer submits a proposal that is conditional, materially incomplete or contains material defects, alterations or irregularities of any kind.

c. If a Proposer supplies false, inaccurate or misleading information or falsely certifies compliance on any RFP attachment.

d. If DHS discovers, at any stage of the bid process or upon contract award, that the Proposer is unwilling or unable to comply with the contract terms, conditions and exhibits cited in this RFP or the resulting contract.

e. If other irregularities occur in a proposal response that is not specifically addressed herein (e.g., the Proposer places any conditions on performance of the scope of work, submits a counter proposal, etc.).

2. Proposal modifications after submission

a. All proposals are to be complete when submitted. However, an entire proposal may be withdrawn and the Proposer may resubmit a new proposal prior to the submission deadline.

b. To withdraw and/or resubmit a new proposal, follow the instructions appearing in the RFP section entitled, "Withdrawal and/or Resubmission of Proposals".

3. Withdrawal and/or Resubmission of Proposals

a. Withdrawal deadlines

A Proposer may withdraw a proposal at any time before the proposal submission deadline.

With the consent of DHS, a proposal may be withdrawn after the proposal submission deadline. A proposal withdrawn after the submission deadline may not be resubmitted or replaced by a newly submitted proposal.

b. Submitting a withdrawal request

- 1) Submit a written withdrawal request, signed by an authorized representative of the Proposer.
- 2) Label and submit the withdrawal request using one of the following methods.

U.S. Mail:	Hand Delivery or Overnight Express/Courier:
Withdrawal of RFP 03-75006 Lisa Kale/Denise Peterson CA Department of Health Services Office of Medi-Cal Procurement MS 4200 P.O. Box 997413 Sacramento CA 95899-7413	Withdrawal of RFP 03-75006 Lisa Kale/Denise Peterson CA Department of Health Services Office of Medi-Cal Procurement MS 4200 600 North Tenth Street, Rm 240C Sacramento CA 95814
Fax:	
Withdrawal RFP 03-75006 Lisa Kale/Denise Peterson CA Department of Health Services Office of Medi-Cal Procurement FACSys: (916) 464-0855 Fax: (916) 323-7456	

- 3) **[For faxed withdrawal requests]** Proposers must call (916) 323-7406 to confirm receipt of a faxed withdrawal request. Follow-up the faxed request by mailing or delivering the signed original withdrawal request within 24 hours after submitting a faxed request.

An originally signed withdrawal request is generally required before DHS will return a proposal to a Proposer. DHS may grant an exception if the Proposer informs DHS that a new or replacement proposal will immediately follow the withdrawal.

c. Resubmitting a proposal

After withdrawing a proposal, Proposers may resubmit a new proposal according to the proposal submission instructions. Replacement proposals must be received at the stated place of delivery by the proposal due date and time.

4. Contract award and protests

a. Contract award

- 1) Award of the contract, if awarded, will be to the responsive and responsible Proposer, who earns the highest total score. The highest scored proposal will be determined after DHS adjusts Proposer scores for applicable bidder preferences.
- 2) DHS shall award the contract only after DHS posts a Notice of Intent to Award for five (5) working days. DHS expects to post the Notice of Intent to Award before the close of business on May 24, 2004 in a Contract Award Notices Binder which will be available for viewing by the public during normal business hours at the following location:

Department of Health Services
Contract Management Unit
1501 Capitol Avenue, First Floor Guard Station
Sacramento, CA 95814

Additionally, the Notice of Intent to Award will be available for viewing at:

Department of Health Services
Office of Medi-Cal Procurement
600 North Tenth Street, Room 240C
Sacramento, CA 95814

- 3) DHS will mail or fax a written notification and/or a copy of the Notice of Intent to Award to all firms that submitted a proposal.
- 4) DHS will post the Intent to Award on the OMCP web page at <http://www.dhs.ca.gov/omcp>.
- 5) DHS will confirm the contract award to the winning Proposer after the protest deadline, if no protests are filed or following the Department of General Service's resolution of all protests. DHS staff may confirm an award verbally or in writing.

- 6) It is intended that the contract will be awarded within thirty (30) days from the scheduled date of the Notice of Intent to Award. However, the Department may award the contract later, in which case bid prices will be valid for a minimum of six (6) months following the Notice of Intent to Award, or longer if agreed to by the successful Proposer and the Department.
- 7) The Department reserves the right to reject all bids, whether responsive or not.

b. Settlement of ties

In the event of a precise highest score tie between a certified small business and a certified DVBE, the contract will be awarded to the DVBE per Government Code Section 14838(f) et seq.

DHS will settle all other tied total scores by making an award to the Proposer who earns the highest score on their narrative proposal (e.g., Technical Proposal). If narrative proposal (e.g., Technical Proposal) scores are also tied, DHS will settle the tie in a manner that DHS determines to be fair and equitable (e.g., coin toss, lot drawing, etc.). In no event will DHS settle a tie by dividing the work among the tied Proposers.

c. Protests

- 1) Under California Law, protests of the RFP are under the authority and jurisdiction of the California Department of General Services (DGS). The protest standards and procedures as described in this RFP are as currently understood by DHS. In the case of any protest of this RFP, the standards and procedures as specified by DGS shall govern over any inconsistent standards or procedures described by DHS.

- 2) Who can protest

Any Proposer who submits a proposal may file a protest if the Proposer believes its proposal is responsive to all RFP requirements.

- 3) Grounds for protests

Protests are limited to the grounds described in Public Contract Code (PCC) Section 10345. DHS will not make an award until all protests are withdrawn by the protestant, denied, or resolved to the satisfaction of the Department of General Services (DGS).

4) Protest time lines

- a. Eligible Proposers may file a first and quite brief “Notice of Intent to Protest” within five (5) working days after DHS posts the Notice of Intent to Award.
- b. Within five (5) calendar days after filing a “Notice of Intent to Protest”, the protestant must file a full and complete written protest statement identifying the specific grounds for the protest. The statement must contain, in detail, the reasons, law, rule, regulation, or practice that the protestant believes DHS has improperly applied in awarding the contract.

5) Submitting a protest

Protests must be filed with both the Department of General Services and the Department of Health Services’ Contract Management Unit. Additionally, Proposers are requested to send a copy of the protest to DHS’ Office of Medi-Cal Procurement. You may hand deliver, mail or fax your protest.

Label, address and submit the initial protest notice and detailed protest statement to the following State programs using one of the following methods.

Send the protest to DHS’ Contract Management Unit at:

U.S. Mail	Hand Delivery or Overnight Express/Courier:
Protest to DHS RFP 03-75006 CA Dept. of Health Services Contract Management Unit MS 1403 P.O. Box 997413 Sacramento, CA 95899-7413	Protest to DHS RFP 03-75006 CA Dept. of Health Services Contract Management Unit MS 1403 1501 Capitol Ave., Ste 71.2101 Sacramento CA 95814
Fax: Protest to DHS RFP 03-75006 CA Dept. of Health Services Contract Management Unit Fax: (916) 650-0110	

And, send the protest to the Department of General Services at:

U.S. Mail, Hand Delivery or Overnight Express/Courier:	Fax:
Protest to DHS RFP 03-75006 Dept. of General Services Office of Legal Services Attention: Protest Coordinator 707 Third Street, 7 th Floor, Ste. 7-330 P.O. Box 989052 West Sacramento, CA 95798-9052	Protest to DHS RFP 03-75006 Dept. of General Services Office of Legal Services Fax: (916) 376-5088

Please send a copy of the protest as an FYI to DHS' Office of Medi-Cal Procurement at:

U.S. Mail:	Hand Delivery or Overnight Express/Courier:
Protest to DHS RFP 03-75006 Donna Martinez CA Dept. of Health Services Office of Medi-Cal Procurement MS 4200 P.O. Box 997413 Sacramento, CA 95899-7413	Protest to DHS RFP 03-75006 Donna Martinez CA Dept. of Health Services Office of Medi-Cal Procurement MS 4200 600 North Tenth Street, Room 240C Sacramento CA 95814
Fax: Protest to DHS RFP 03-75006 Donna Martinez CA Dept. of Health Services Office of Medi-Cal Procurement FAXSys: (916) 464-0855 Fax: (916) 323-7456	

For faxed protests

Faxed protests must be followed-up by sending an original signed protest, with all supporting material, within one (1) calendar week of submitting the faxed protest.

Call the telephone numbers below to confirm your fax transmission:

Department of General Services	(916) 376-5080
DHS/Contract Management Unit	(916) 650-0100
DHS/Office of Medi-Cal Procurement	(916) 323-7406

If you choose hand delivery, allow sufficient time to locate parking and have your Protest document date/time stamped by Security personnel. Parking is especially difficult around the DHS building on Capitol Avenue.

5. Disposition of proposals

- a. All materials submitted in response to this RFP will become the property of the Department of Health Services and, as such, are subject to the Public Records Act (GC Section 6250, et seq.). DHS will disregard any language purporting to render all or portions of any proposal confidential.
- b. Proposals are public records upon the posting of a Notice of Intent to Award. However, the contents of all proposals, draft RFPs, correspondence, agenda, memoranda, working papers, or any other medium which discloses any aspect of a Proposer's proposal shall be held in the strictest confidence until the award is made. DHS shall hold the content of all working papers and discussions relating to a proposal confidential indefinitely, unless the public's interest is best served by disclosure because of its pertinence to a decision, agreement, or the evaluation of a proposal. A Proposer's disclosure of this subject is a basis for rejecting a proposal and ruling the Proposer ineligible to participate further in the bidding process.
- c. DHS may return a proposal to a Proposer at their request and expense after DHS concludes the bid process.

6. Inspecting or obtaining copies of proposals

- a. Who can inspect or copy proposal materials

Any person or member of the public can inspect or obtain copies of any proposal materials.

- b. What can be inspected / copied and when

- 1) After DHS releases the RFP, any existing Proposers List (i.e., list of firms to whom the RFP is sent) is considered a public record and will be available for inspection or copying.
- 2) After the Pre-Proposal Conference, the sign-in or attendance sheet is a public record and will be available for inspection or copying.

- 3) On or after DHS posts the Notice of Intent to Award, all proposals, letters of intent, checklists and/or scoring/evaluation sheets become public records. These records shall be available for review, inspection and copying during normal business hours for a period of three months or until all protests and other legal challenges have been resolved, including any appeals therefrom, whichever is longer.

c. Inspecting or obtaining copies of proposal materials

Persons wishing to view or inspect any proposal or award related materials must identify the items they wish to inspect and must make an inspection appointment by contacting Lisa Kale or Denise Peterson at (916) 323-7406.

Persons wishing to obtain copies of proposal materials may visit DHS or mail a written request to the DHS office identified below. The requestor must identify the items they wish to have copied. Materials will not be released from State premises for the purposes of making copies.

Unless waived by DHS, a check covering copying and/or mailing costs must accompany the request. Copying costs, when applicable, are charged at a rate of **ten cents** per page. DHS will fulfill all copy requests as promptly as possible. Submit copy requests as follows:

Request for Copies - RFP 03-75006

Lisa Kale/Denise Peterson
CA Department of Health Services
Office of Medi-Cal Procurement
MS 4200 P.O. Box 997413 Sacramento, CA 95899-7413

7. Verification of Proposer information

By submitting a proposal, Proposers agree to authorize DHS to:

- a. Verify any and all claims made by the Proposer including, but not limited to verification of prior experience and the possession of other qualification requirements, and
- b. Check any reference identified by a Proposer or other resources known by the State to confirm the Proposer's business integrity and history of providing effective, efficient and timely services.

8. DHS rights

In addition to the rights discussed elsewhere in this RFP, DHS reserves the following rights.

a. RFP corrections

- 1) DHS reserves the right to do any of the following up to the proposal submission deadline:
 - a) Modify any date or deadline appearing in this RFP or the RFP Time Schedule.
 - b) Issue clarification notices, addenda, alternate RFP instructions, forms, etc.
 - c) Allow Proposers to submit questions about any RFP change, correction or addenda. If DHS allows such questions, specific instructions will appear in the cover letter accompanying the document.
- 2) If this RFP is clarified, corrected, or modified, DHS will mail or fax written clarification notices, administrative bulletins, and/or RFP addenda to all persons/firms who submitted the Request for Inclusion on Mailing List form (Attachment 8), or called OMCP to request clarification notices, administrative bulletins, and/or RFP addenda.. This information may also be obtained by accessing the Office of Medi-Cal Procurement website at <http://www.dhs.ca.gov/omcp>.

If DHS decides, just before or on the proposal due date, to extend the submission deadline, DHS may choose to notify potential Proposers of the extension by fax or by telephone. DHS will follow-up any verbal notice in writing by fax or by mail.

b. Collecting information from Proposers/Clarification Process

- 1) If deemed necessary, DHS may request a Proposer to submit additional documentation during or after the proposal review and evaluation process. DHS will advise the Proposers orally, by fax or in writing of the documentation that is required and the time line for submitting the documentation. DHS will follow-up oral instructions in writing by fax or mail. Failure to submit the required documentation by the date and time indicated may cause DHS to deem a proposal nonresponsive.
- 2) DHS, at its sole discretion, reserves the right to collect, by mail, fax or other method; the following omitted documentation and/or additional information.
 - a) Signed copies of any form submitted without a signature.
 - b) Data or documentation omitted from any submitted RFP attachment/form.

- c) Information/material needed to clarify or confirm certifications or claims made by a Proposer.
 - d) Information/material needed to correct or remedy an immaterial defect in a proposal.
 - e) Information needed to resolve any potential conflict of interest.
- 3) The collection of Proposer documentation may cause DHS to extend the date for posting the Notice of Intent to Award. If DHS changes the posting date, DHS will advise the Proposers, orally or in writing, of the alternate posting date.
- c. Immaterial proposal defects
 - 1) DHS may waive any immaterial deviation or defect in any proposal. DHS reserves the right to use its best judgment to determine what constitutes an immaterial deviation or defect. DHS may, in its sole discretion, either allow the Proposer to remedy immaterial deviations or defects, or waive the need to remedy them.
 - 2) DHS' waiver of an immaterial deviation or defect in a proposal shall in no way modify this RFP or excuse a Proposer from full compliance with all bid requirements.
- d. Correction of clerical or mathematical errors
 - 1) DHS reserves the right, at its sole discretion, to overlook, correct or require a Proposer to remedy any obvious clerical or mathematical errors occurring in the narrative portion of a proposal or on a Cost Proposal Bid Form.
 - 2) If the correction of an error results in an increase or decrease in the total price, DHS shall give the Proposer the option to accept the corrected price or withdraw their proposal.
 - 3) Proposers may be required to initial corrections to costs and dollar figures on the Cost Proposal Bid Forms if the correction results in an alteration of the annual costs or total cost offered.
 - 4) If a mathematical error occurs in a total or extended price and a unit price is present, DHS will use the unit price to settle the discrepancy.
- e. Right to remedy errors
 - 1) DHS reserves the right, at any time, to waive any RFP requirement or instruction for all Proposers if DHS determines that the requirement or instruction was unnecessary, erroneous or unreasonable.

2) DHS reserves the right, at any time, to remedy errors caused by:

- a) DHS office equipment malfunctions or negligence by agency staff,
- b) Natural disasters (i.e., floods, fires, earthquakes, etc.).

f. No contract award or RFP cancellation

The issuance of this RFP does not constitute a commitment by DHS to award a contract. DHS reserves the right to reject all proposals and to cancel this RFP if it is in the best interests of DHS to do so.

g. Contract amendments after award

As provided in the Public Contract Code governing contracts awarded by competitive bid, the DHS reserves the right to amend the contract after DHS makes a contract award.

h. Proposed use of subcontractors and/or independent consultants

Specific subcontract relationships proposed in response to this RFP (i.e., identification of pre-identified subcontractors and independent consultants) shall not be changed during the procurement process or prior to contract execution. The pre-identification of a subcontractor or independent consultant does not affect DHS' right to approve personnel or staffing selections or changes made after the contract award.

i. Staffing changes after contract award

DHS reserves the right to approve or disapprove changes in key personnel that occur after DHS awards the contract.

P. Bidding Certification Clauses

1. Certificate of Independent Price Determination

a. The prospective Proposer certifies that:

1) The prices in this bid or proposal have been arrived at independently without any consultation, communication or agreement with any other Proposer, Proposer or competitor for the purpose of restricting competition relating to:

- a) The prices or costs offered,
- b) The intention to submit a bid or proposal,
- c) The methods or factors used to calculate the costs or prices offered.

- 2) The prices in this bid or proposal have not been and will not be knowingly disclosed by the Proposer, directly or indirectly, to any other Proposer or competitor before the bid/cost proposal opening date or date of contract award posting, unless otherwise required by law.
 - 3) No attempt has been made or will be made by the Proposer to induce any other firm or entity to submit or not to submit a bid or proposal for the purpose of restricting competition.
- b. Each signature appearing on the documents contained in this bid package/proposal is considered to be a certification by the signatory that the signatory:

Is the person in the Proposer's organization that is either responsible for determining the prices offered in this bid or proposal and/or is designated to complete the bid or proposal forms on behalf of the bidding firm, and the signatory has not participated and will not participate in any action contrary to all subsections of paragraph a.

2. Debarment and Suspension Certification

- a. The Contractor certifies to the best of its knowledge and belief, that it and its principals:
- 1) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any federal department or agency;
 - 2) Have not within a three-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
 - 3) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph a.2) of this certification; and
 - 4) Have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default.

- 5) It shall not knowingly enter into any lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, declared ineligible, or voluntarily excluded from participation in such transaction, unless authorized by the State.
 - 6) It will include a clause entitled "Debarment and Suspension Certification" that essentially sets forth the provisions herein, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
- b. If the Contractor is unable to certify to any of the statements in this certification, the Contractor shall submit an explanation to the program funding this contract.
3. Lobbying Restrictions and Disclosure
- a. The Contractor certifies, to the best of its knowledge and belief, that:
- 1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the Contractor, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.
 - 2) If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the Contractor shall complete and submit federal Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
 - 3) The Contractor shall require that the contents of this certification be collected from the recipients of all subawards, exceeding \$100,000, at all tiers (including subcontracts, subgrants, etc.) and shall be maintained for three years following final payment/settlement of those agreements.

- b. This certification is a material representation of fact upon which reliance was placed when this contract was made and/or entered into. The making of the above certification is a prerequisite for making or entering into this contract pursuant to 31 U.S.C. 1352 (45 CFR 93). Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.
- c. The Standard Form-LLL may be obtained from various federal agencies, federally sponsored World Wide Web Internet sites, DHS upon request, or may be copied from Exhibit D(F) entitled, Special Terms and Conditions.

Q. Preference Programs

To confirm the identity of the highest scored responsible Proposer, DHS will adjust the total point score for applicable claimed preference(s). DHS will apply preference adjustments to eligible Proposers according to State regulations following verification of eligibility with the appropriate office of the Department of General Services.

1. Small Business Enterprises (including Microbusinesses)

- a. Responsive and responsible California Proposers claiming preference and verified as a certified small business (including microbusiness) in a relevant business type will be granted a preference of five percent (5%) of the total point score earned by the responsive and responsible Proposer with highest combined score, if the highest scored proposal is submitted by a Proposer that is not certified as a California small business (including microbusinesses) in a relevant business type. The “service” category or business type will most likely apply to this procurement.
- b. To be certified as a “small business” (including a microbusinesses) and eligible for a bidding preference the business concern must:
 - 1) Have requested the status of small business and/or microbusiness and become certified by the appropriate office of the Department of General Services (DGS) [formerly referred to as Office of Small Business Certification and Resources] as a small business no later than 5:00 p.m. on the proposal submission deadline.
 - 2) Not be dominant in its field of operations,
 - 3) Be independently owned and operated,
 - 4) Have its principal office located in California,
 - 5) Have its owners (or officers in the case of a corporation) domiciled in California,

- 6) Together with its affiliates be either:
- a) A non-manufacturer with 100 or fewer employees and average annual gross receipts of ten million dollars or less over the previous three years, or
 - b) A manufacturer with 100 or fewer employees.
- c. Firms desiring small business and/or microbusiness certification must obtain a Small Business Certification Application (STD 813) from the appropriate office of the Department of General Services [formerly Office of Small Business Certification and Resources (OSBCR)], fully complete the form, and return it to the Department of General Services as instructed. Bidding firms desiring small business certification assistance, may contact the Department of General Services by the following means:
- 1) (916) 322-5060 (24 hour recording and mail requests), or
 - 2) (916) 375-4940 or (800) 559-5529 (live operator), or
 - 3) Internet address: <http://www.pd.dgs.ca.gov/smbus> or
 - 4) Fax: (916) 375-4950, or
 - 5) Email: osbcrhelp@dgs.ca.gov

R. Contract Terms and Conditions

The winning Proposer must enter a written contract that may contain portions of the Proposer's proposal (i.e., Cost Proposal Bid Forms, Work Plan), Scope of Work, standard contract provisions, the contract form, and the exhibits identified below. Other exhibits, not identified herein, may also appear in the resulting contract.

The exhibits identified in this section contain contract terms that require strict adherence to various laws and contracting policies. DHS will not accept alterations to the General Terms and Conditions (GTC), DHS' Special Terms and Conditions, the Scope of Work, other exhibit terms/conditions, or alternate language that is proposed or submitted by a prospective contractor. A Proposer's unwillingness or inability to agree to the proposed terms and conditions shown below or contained in any exhibit identified in this RFP may cause DHS to deem a Proposer non-responsible and ineligible for an award. DHS reserves the right to use the latest version of any form or exhibit listed below in the resulting agreement if a newer version is available.

The exhibits identified below illustrate many of the terms and conditions that may appear in the final agreement between DHS and the winning Proposer. Other terms and conditions, not specified in the exhibits identified below, may also appear in the resulting agreement. Some terms and conditions are conditional and may only appear in an agreement if certain conditions exist (i.e., contract total exceeds a certain amount, federal funding is used, etc.).

1. Sample contract forms / exhibits

<u>Exhibit Label</u>	<u>Exhibit Name</u>
Exhibit A-1	Standard Agreement (1 page)
Exhibit A	Scope of Work (2 pages)
Exhibit A/Att I	Scope of Work/Takeover (92 pages)
Exhibit A/Att II	Scope of Work/Operations (288 pages)
Exhibit A/Att III	Scope of Work/Change Requirements (38 pages)
Exhibit A/Att IV	Scope of Work/Turnover & Runout Requirements (22 pages)
Exhibit B	Budget Detail and Payment Provisions (2 pages)
Exhibit B/ Att I	Special Payment Provisions (51 pages)
Exhibit C - View on-line.	General Terms and Conditions (GTC 103). View or download this exhibit at this Internet site http://www.ols.dgs.ca.gov/Standard+Language/default.htm .
Exhibit D(F)	Special Terms and Conditions (27 pages)
Exhibit E	Additional Provisions (95 pages)
Exhibit E/Att I	Bid Documentation Certification (1 page)
Exhibit E/Att II	Change Order Pricing Proposal Form (2 pages)
Exhibit F	Contractor's Release (1 page)
Exhibit G	Travel Reimbursement Information (2 pages)
Exhibit H	HIPAA Business Associate Addendum (7 pages)

2. Unanticipated tasks

In the event unanticipated or additional work must be performed that is not identified in this RFP, but in DHS' opinion is necessary to successfully accomplish the scope of work, DHS will initiate a contract amendment to add that work. All terms and conditions appearing in the final contract including the salary/wage rates, unit rates and/or other expenses appearing on the Proposer's Budget Detail Work Sheets will apply to any additional work.

3. Resolution of language conflicts (RFP vs. final agreement)

If an inconsistency or conflict arises between the terms and conditions appearing in the final agreement and the proposed terms and conditions appearing in this RFP, any inconsistency or conflict will be resolved by giving precedence to the final agreement.